

TRANSFERS

SUPREMACY CASE

UNITED STATES

GENERAL BOARD

APPEAL FROM THE UNITED STATES  
SOUTHERN DISTRICT

THE UNITED STATES  
PROBABLE JURISDICTION

# SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1965

No. 46

UNITED STATES, APPELLANT,

VS.

GENERAL MOTORS CORPORATION ET AL.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE  
SOUTHERN DISTRICT OF CALIFORNIA

Volume III

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[fol. 1810] IN THE UNITED STATES DISTRICT COURT

## PLAINTIFF'S EXHIBIT No. 287

## 1960 Chevrolet Dealer Volume

Dealer	Number of New Vehicle Sales
College .....	241
Security .....	243
Barton's .....	273
Vista .....	328
Metropolitan .....	388
Seaboard .....	418
Davies .....	443
Miller .....	473
Williams .....	479
Steves .....	495
Hoffman .....	508
S & J .....	538
Angelus .....	552
Southwest .....	566
Potter .....	573
M. K. Smith .....	573
Cone Bros. (Anaheim) .....	593
Bellwood .....	595
Colliau .....	595
Clay .....	623
Erskine .....	639
Ostrom .....	656
Brokaw .....	656
Cone (Fullerton) .....	666
Keown .....	671
Economy .....	676
Priester .....	688
Hessell .....	701
Dorweiler .....	702
Kent .....	704
Boulevard .....	707
Hastings .....	754
Mission .....	809
Selman .....	817
Hoehn .....	860
Bliss & Paden .....	862
West Adams .....	886
Barnett .....	915
Drewer-Jones .....	916
Martin Pollard .....	920
Gledhill .....	948
Paul's .....	977
Rancho .....	994
Century .....	1,027
Sopp & Son .....	1,046

## [fol. 1811] 1960 Chevrolet Dealer Volume

Dealer	Number of New Vehicle Sales
Milliken.....	1,064
Hall.....	1,088
Schonlaw.....	1,094
Stanley.....	1,111
Ruh.....	1,119
Paramount.....	1,119
Rush.....	1,128
Carrell.....	1,147
Gwynn.....	1,167
Mann.....	1,184
Harbor.....	1,263
Community.....	1,293
Sorenson.....	1,304
Bruder.....	1,362
Porter.....	1,363
Pollard-Ravenscroft.....	1,366
Kenneth.....	1,406
Guaranty.....	1,440
Briggs.....	1,501
Beach City.....	1,587
Clippinger.....	1,701
Baldwin.....	1,749
Hopper.....	1,760
Fletcher Jones.....	1,984
Parkwood.....	2,063
Nugent.....	2,146
Cormier.....	2,194
Enoch.....	2,212
Citizens.....	2,901
Courtesy.....	4,203
Felix.....	4,789

[fol. 1812] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 290

Received March 22, 1961

COLLEGE CHEVROLET, INC.  
191 South Alexander Ave.—National 4-4541  
Claremont, California

March 21, 1961.

Phil Johnston

President

OK was on order at time of conference.

Mr. Robert O'Conner  
Chevrolet Motor Division  
3325 Wilshire Boulevard  
Los Angeles 5, California

Dear Bob,

You and Mr. Jere Faust had asked me to be on the lookout for any new Chevrolet delivered through a discount house. A local registration covers a 727 delivered through Fedco, Federal Purchasing Corporation, and it was purchased from Broder Chevrolet. The serial number is 107270119546, and the owner is Paul D. Muchnic, Pomona College, Claremont. Trusting that this information will be of assistance, I remain your friend.

Yours truly, Phil Johnston.

PJ:EME

Ordered 12/31/60  
Delivered 2/8/61  
Order #43100 1-5-61  
RS#249684

[fol. 1813] Clerk's Note Re Defendants' Exhibits A & B

A—Map of Chevrolet—Los Angeles Metropolitan Area (expanded) showing Chevrolet dealer and discount house locations (Stipulation of Facts Number Three)

B—Map of Chevrolet—Los Angeles Metropolitan Area (expanded) showing Chevrolet dealer, Ford (Ford, Mercury, Comet) dealer, Chrysler (Plymouth, Dodge) dealer, Rambler dealer, Studebaker dealer, and Volkswagen dealer locations (Stipulation of Facts Number Three)

Copies of colored photographs of the above maps do not physically appear in the printed record, but are on file with the Clerk.



[fol. 1814] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C

Chevrolet Dealers Shown On Exhibits A and B  
(Indicated by blue dots)

Identifying Number	Name and Address of Chevrolet Dealer
1.	Angelus Chevrolet Co. 5001 N. Figueroa St. Los Angeles
2.	Arrow Chevrolet, Inc. 1225 E. 7th St. Los Angeles (Central Chevrolet until 4/1/61)
3.	H. E. Baher, Inc. DBA H. E. Baher Chevrolet 2901 Pacific Coast Hwy. Hermosa Beach (Brokaw Chev. until 10/2/61)
4.	J. V. Baldwin Motor 1417 S. Figueroa St. Los Angeles
5.	Bill Barnett Chev. 1440 E. Compton Bl. Compton
6.	Bartons Chevrolet 4916 S. Main St. Yorba Linda
7.	Beach City Chev. Co. 3001 Pacific Coast Hwy. Long Beach
8.	Bellwood Chevrolet 6400 Atlantic Bl. Bell
9.	Warren Biggs Chevrolet 205 S. Vermont Ave. Los Angeles
10.	Bliss & Paden, Inc. 1290 Westwood Bl. Los Angeles
11.	Boulevard Chevrolet Co. 545 S. Atlantic Bl. Los Angeles
[fol. 1815]	
12.	Bruder Chevrolet 5950 Hollywood Bl. Hollywood
13.	Pollard-Carrell Co., DBA Tom Carrell Chev. 753 San Fernando Rd. San Fernando
14.	Century Chevrolet Co. 636 S. LaBrea Ave. Inglewood

Identifying Number	Name and Address of Chevrolet Dealer
-----------------------	--------------------------------------

- |             |  |
|-------------|--|
| 15.         | Citizens Chev. Co.<br>2030 Colorado Bl.<br>Eagle Rock  |
| 16.         | Frank D. Clay & Son, Inc.<br>2605 E. Colorado St.<br>E. Pasadena   |
| 17.         | Clippinger Chev.<br>137 W. San Bernardino<br>Covina  |
| 18.         | College Chevrolet<br>191 S. Alexander<br>Claremont   |
| 19.         | Colliau Chev. Co.<br>711 Fair Oaks Ave.<br>South Pasadena  |
| 20.         | Community Chevrolet<br>80 E. Olive St.<br>Burbank  |
| 21.         | Cone Bros.<br>215 N. Los Angeles St.<br>Anaheim  |
| 22.         | Cone Chevrolet Co.<br>320 S. Spadra St.<br>Fullerton   |
| 23.         | Cormier Chevrolet<br>601 Long Beach Bl.<br>Long Beach  |
| 24.         | Courtesy Chevrolet<br>866 S. Western Ave.<br>Los Angeles   |
| [fol. 1816] |  |
| 25.         | Davies Chev.<br>214 W. Foothill Bl.<br>Glendora  |
| 26.         | R. V. Dorweiler Co.<br>3436 N. Tyler<br>El Monte   |
| 27.         | Economy Chevrolet<br>1247 W. Main St.<br>Alhambra  |
| 28.         | Enoch Chevrolet Co.<br>8730 Long Beach Bl.<br>South Gate   |
| 29.         | Bob Erskine Chev.<br>363 E. Holt<br>Pomona   |
| 30.         | Felix Chevrolet Co.<br>3330 S. Figueroa St.<br>Los Angeles   |
| 31.         | George Chevrolet<br>17150 S. Lakewood Bl.<br>Bellflower  |
| 32.         | Fred Gledhill Chev.<br>304 E. Anaheim<br>Wilmington  |
| 33.         | McDonald & O'Boyle Inc., DBA<br>Hal Greene Chevrolet<br>201 W. Huntington Dr.<br>Monrovia<br>(McDonald & O'Boyle until 5/1/61) |

Identifying Number	Name and Address of Chevrolet Dealer
-----------------------	--------------------------------------

- |     |  |
|-----|--|
| 34. | Ted Grimm Chev.<br>356 E. Foothill Bl.<br>Upland<br>(Alan A. Couch until 6/10/60)                |
| 35. | Groth Chevrolet Co.<br>302 Ocean Ave.<br>Huntington Beach<br>(Williams Chev. Inc. until 7/18/61) |
| 36. | Guaranty Chev.<br>120 W. 1st St.<br>Santa Ana  |

[fol. 1817]

- |     |  |
|-----|--|
| 37. | Allen Gwynn Chev.<br>1400 S. Brand Bl.<br>Glendale                                 |
| 38. | Robert Hall Chev., Inc.<br>6467 Foothill Bl.<br>Tujunga                            |
| 39. | Hansen Chevrolet<br>11351 W. Olympic Bl.<br>Los Angeles                            |
| 40. | Harbor Chevrolet<br>3770 Cherry Ave.<br>Long Beach                                 |
| 41. | Hastings Chev. Co.<br>209 Colorado Ave.<br>Santa Monica                            |
| 42. | Hessell Chev.<br>901 Sepulveda<br>El Segundo                                       |
| 43. | Hoehn Chevrolet Co.<br>9018 Wilshire Bl.<br>Beverly Hills                          |
| 44. | Leo Hoffman Chev.<br>15432 E. Nelson Ave.<br>La Puente                             |
| 45. | Eddie Hopper Chev.<br>10511 Garden Grove Bl.<br>Garden Grove                       |
| 46. | Hovey-Dallas Chev.<br>15600 S. Western<br>Gardena<br>(Rush Chev. until 8/21/61)    |
| 47. | Fletcher Jones Chev.<br>5001 S. Broadway<br>Los Angeles                            |
| 48. | Drewer Jones Chev. DBA<br>Glenn Jones Chev.<br>14925 S. Paramount Bl.<br>Paramount |
| 49. | Tom Keating Chev., Inc.<br>6125 Manchester Bl.<br>Buena Park                       |

[fol. 1818]

- |     |  |
|-----|--|
| 50. | Deeb Motors, Inc. DBA<br>Kendall Chev. Co.<br>315 N. Pacific Coast Hwy.<br>Redondo Beach |
|-----|--|

Identifying Number	Name and Address of Chevrolet Dealer
51.	Kenneth Chev. 422 N. Hawthorne Bl. Hawthorne
52.	Kent Chevrolet 850 S. Baldwin Ave. Arcadia (Galvin Chev. until 7/1/60)
53.	Owen Keown Chev. Co. 3233 Washington Bl. Venice
54.	Harry Mann Chev. Co. 5735 Crenshaw Bl. Los Angeles
55.	Metropolitan Chev. 3225 Sunset Bl. Los Angeles
56.	Miller Connell Chev. 1000 West Coast Hwy. Newport Beach (Miller Chev., Inc. until 8/7/61)
57.	Milliken Chev. Inc. 9032 Washington Bl. Culver City
58.	Mission Chev. Co. 100 S. San Gabriel San Gabriel
59.	A. E. Nugent Chev. 400 S. LaBrea Ave. Los Angeles
60.	Ostrom Chev. 310 Whittier Bl. Montebello (Harry M. Ostrom & Son until 7/1/61)
61.	Paramount Chev. Co. 11212 S. Paramount Downey
[fol. 1819]	
62.	Parkwood Chev. 5059 Lakewood Bl. Lakewood
63.	Paul's Chevrolet Inc. 1640 Cabrillo Ave. Torrance
64.	Martin Pollard Co. 5430 Lankershim Bl. No. Hollywood
65.	Pollard-Ravenscroft Co. 6232 Van Nuys Bl. Van Nuys
66.	Ernie Porter Chev. 245 W. Colorado St. Pasadena
67.	Potter Motor Co. 100 E. Valley Bl. Alhambra
68.	Ed Priester Chev. 3701 Oceanview Bl. Montrose

Identifying Number	Name and Address of Chevrolet Dealer
-----------------------	--------------------------------------

- |     |  |
|-----|--|
| 69. | Rancho Chevrolet<br>7056 Reseda Bl.<br>Reseda              |
| 70. | Clem Ruh Chevrolet Co.<br>21100 Sherman Way<br>Canoga Park |
| 71. | S & J Chevrolet<br>11900 E. South St.<br>Artesia           |
| 72. | Charles Schonlaw<br>7601 Sunset Bl.<br>Hollywood           |
| 73. | Seaboard Motors<br>1831 S. Pacific Ave.<br>San Pedro       |
| 74. | Security Chevrolet<br>146 S. Brea Bl.<br>Brea              |
| 75. | Selman Chevrolet Co.<br>402 W. Chapman<br>Orange           |

[fol. 1820]

- |     |   |
|-----|---|
| 76. | Service Chevrolet<br>1355 E. Colorado St.<br>Pasadena<br>(C. S. Mead Mtr. until 10/6/60)                            |
| 77. | M. K. Smith Chev.<br>319 W. Holt Bl.<br>Ontario   |
| 78. | Maurice J. Sopp & Son<br>5801 Pacific Bl.<br>Huntington Pk.   |
| 79. | Bob Sorenson Chev.<br>201 S. Greenleaf<br>Whittier  |
| 80. | Southwest Chevrolet Co.<br>7101 S. Vermont Ave.<br>Los Angeles  |
| 81. | Stanley Chevrolet<br>11980 E. Firestone Bl.<br>Norwalk  |
| 82. | Don Steves Chev.<br>401 W. Whittier Bl.<br>LaHabra  |
| 83. | Vista Chevrolet<br>5390 Riverside Dr.<br>Chino  |
| 84. | West Adams Chev.<br>4471 W. Adams Bl.<br>Los Angeles  |
| 85. | Bob Wondries Motors, DBA<br>Bob Wondries Chevrolet<br>1000 S. Brand Bl.<br>Glendale<br>(Howell Chev. until 12/9/60) |

[fol. 1821] IN THE UNITED STATES DISTRICT COURT

## DEFENDANTS' EXHIBIT D

## Discount Houses and Referral Services Shown On Exhibit A

Identifying Number	Name and Location of Discount House or Referral Service
1.	AAAA Auto Lease & Sales, Inc. (Leonard's Discount Store) 600 N. Sepulveda El Segundo
2.	AAAA Auto Lease & Sales, Inc. (Leonard's Discount Store) 12891 Harbor Garden Grove
3.	AAAA Auto Lease & Sales, Inc. 2514 W. Olympic Blvd. Los Angeles
4.	AAAA Auto Lease & Sales, Inc. 5200 Laurel Canyon Blvd. North Hollywood
5.	Autorama 9650 Lincoln Ave. (now 2322 Lincoln Ave. due to renumbering) Anaheim
6.	The Brockway Plan 1809 S. Brand Blvd. Glendale
7.	Cal Fleet Auto Sales (Cal Stores) 2500 Carson Lakewood Union Fleet, Inc. (Cal Stores, Lakewood) 2500 Carson Lakewood
8.	Car Wholesalers 13306 Ventura Blvd. Sherman Oaks
9.	Castle Sales, Inc. (More Department Store) 18300 Vanowen Reseda
[fol. 1822]	
10.	Castle Sales, Inc. (More Department Stores) 3443 S. Sepulveda Los Angeles
11.	Robt. Chico (AKA Chico Auto Sales, Inc.) (Gemco, Anaheim) 9700 Lincoln Ave. (now 2310 Lincoln Ave. due to renumbering) Anaheim Gemco, Anaheim 9700 Lincoln Ave. (now 2310 Lincoln Ave. due to renumbering) Anaheim

Identifying Number	Name and Location of Discount House or Referral Service
-----------------------	--

- |             |  |
|-------------|--|
| 12.         | Robt. Chico (AKA Chico Auto Sales, Inc.)<br>(J.M. Arnoff Co.)<br>(Big "A" Stores)<br>8431 Canoga Ave.<br>Canoga Park |
| 13.         | Robt. Chico (AKA Chico Auto Sales, Inc.)<br>(Udisco Store)<br>12500 Bellflower<br>Downey                             |
| 14.         | Robt. Chico (AKA Chico Auto Sales, Inc.)<br>(Union Store)<br>9135 Central Ave.<br>Montclair                          |
| 15.         | Robt. Chico (AKA Chico Auto Sales, Inc.)<br>(ABC Store)<br>3328 W. Bolsa<br>Santa Ana                                |
| 16.         | Dealer's Diversified Services, Inc.<br>(Fedco Store)<br>5436 N. Woodruff<br>Lakewood                                 |
| 17.         | Dealer's Diversified Services, Inc.<br>(Fedco Store)<br>3912 Slauson<br>Los Angeles                                  |
| 18.         | Dealer's Diversified Services, Inc.<br>(Fedco Store)<br>14920 Raymer<br>Van Nuys                                     |
| [fol. 1823] |  |
| 19.         | Arthur Diamond<br>12135 Victory Blvd.<br>North Hollywood   |
| 20.         | Fleet Sales Co.<br>3870 Crenshaw Blvd.<br>Los Angeles  |
| 21.         | Union Car Sales<br>(Consumer's Mart of America)<br>1440 S. Los Angeles St.<br>Anaheim                                |
| 22.         | Union Car Sales<br>(Certi-Bond Store)<br>501 S. Arlington<br>Torrance  |
| 23.         | Castle Sales, Inc.<br>(More Department Store)<br>8682 Garvey Blvd.<br>South San Gabriel, California                  |

## [fol. 1824] IN THE UNITED STATES DISTRICT COURT

## DEFENDANTS' EXHIBIT J

List of New Car Dealers of Certain Manufacturers Located  
Within Five Mile Radii of Each Chevrolet Dealer in the  
Los Angeles Metropolitan Area

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
Angelus	15	1	1	1	1	1
	19	2	2	12	6	7
(No: 1)	27	24	20		17	
	37	25	21			
	55	26	22			
	66	44	41			
	67	48	43			
	85	49	50			
		51	60			
		56				
		71				
		89				
Total:	8	12	9	2	3	2
Arrow	4	6	29	15	7	10
	8	32	30	19	12	14
(No: 2)	9	33	40	21	16	
	11	42	41	25		
	24	49	44	26		
	30	50	45			
	47	51	50			
	55	52	51			
	78	53	52			
		54	53			
		55				
		56				
		57				
		58				
		59				
Total:	9	15	10	5	3	2
H. E. Baker	42	22	24	13	9	15
	46	28	25	14	20	
(No: 3)	50	29	26	17		
	51	62				
		75				
Total:	4	5	3	3	2	1



(A) Dealer [fol. 1825]	(B) Chev.	(C) Ford	(D) Chrys.	(E) AMC	(F) Stude.	(G) VW
J. V. Baldwin (No: 4)	2 9 24 30 47 54 55 59 78 80 84	32 33 43 45 46 47 49 50 51 52 53 54 55 56 57 58 59	29 30 41 42 44 45 46 47 48 50 51 52 53 54	15 20 21 22 23 25 26	7 13 15 16	9 10 13 14
Total:	11	17	14	7	4	4
Bill Barnett (No: 5)	28 31 48 61 62	7 8 14 15 23 70 88	4 8 9 10 11 19 33 38 71	3 6 37	10 23	4
Total:	5	7	9	3	2	1
Bartons (No: 6)	—	—	—	—	—	—
Beach City (No: 7)	23 40 62	37 38 39 40 41	34 35 36 37 38 39	18	10 11	12
Total:	3	5	6	1	2	1

(A) Dealer [fol. 1826]	(B) Chev.	(C) Ford	(D) Chrysa.	(E) AMC	(F) Stude.	(G) VW
Bellwood	2	6	11	9	7	6
(No: 8)	11	19	15	15	12	10
	28	20	16	19	23	
	60	32	29	28		
	61	33	30	37		
	78	42	40			
		52	71			
		53				
		61				
		65				
		88				
Total:	6	11	7	5	3	2
Warren Biggs	2	24	22	21	6	7
(No: 9)	4	30	27	23	14	9
	12	31	28	25	15	13
	24	43	41	26	16	14
	30	45	42			
	37	46	44			
	47	49	45			
	55	50	46			
	59	51	47			
	72	54	48			
	84	55	50			
	85	56	51			
		57	52			
		58	53			
		59	54			
Total:	12	15	15	4	4	4
Bliss & Paden	39	9	13	4	2	2
(No: 10)	41	10	14	8	22	5
	43	17	69	24		21
	53	18	70	36		
	57	60		41		
		85				
		86				
		95				
		97				
Total:	5	9	4	5	2	3

(A) Dealer [fol. 1827]	(B) Chev.	(C) Ford	(D) Chrys.	(E) AMC	(F) Stude.	(G) VW
Boulevard	2	2	1	1	1	1
(No: 11)	8	6	2	15	7	10
	27	32	29	19	12	
	60	33	30	28		
	67	42	40			
	78	51				
		52				
		65				
Total:	6	8	5	4	3	2
Bruder	9	9	20	5	2	3
(No: 12)	24	10	21	12	4	7
	37	11	22	23	6	9
	43	12	27	24	14	13
	55	24	28	25	15	16
	59	25	42		16	
	72	26	46			
	84	30	47			
	85	31	48			
		43	50			
		49	51			
		54	52			
		58	53			
		67				
Total:	9	14	13	5	6	5
Tom Carrell		78	66	34	25	20
		79				
(No: 13)						
Total:	—	2	1	1	1	1
Century	42	22	24	11	8	5
(No: 14)	51	28	31	16	9	11
	54	34	32	17	13	
	80	35	49	20		
		45	54	22		
		46				
		47				
		55				
		59				
Total:	4	9	5	5	3	2

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1828]						
Citizens	1	24	20	12	6	7
(No: 15)	19	25	21		17	
	37	26	22			
	66	44	43			
	68	48	50			
	85	51	60			
		66				
		71				
		89				
Total:	6	9	6	1	2	1
Frank D. Clay	19	1	1	2	1	1
(No: 16)	27	2	2	31	19	17
	52	3	55	35		
	58	63	60			
	66	71	67			
	67	72	72			
	76	73				
		80				
		81				
		82				
		87				
		89				
Total:	7	12	6	3	2	2
Clippinger	25	5	12	7		23
(No: 17)		16	23			
		27	78			
		77	79			
		96				
Total:	1	5	4	1	—	1
College	29	74	61	32	32	18
(No: 18)	34	115	62	52		
	77	116	63			
		117	96			
			97			
			98			
Total:	3	4	6	2	1	1

(A) Dealer [fol. 1829]	(B) Chev.	(C) Ford	(D) Chrys.	(E) AMC	(F) Stude.	(G) VW
Colliau	1	1	1	1	1	1
(No: 19)	15	2	2	31	17	17
	16	44	43	35	19	
	27	48	60			
	58	71	67			
	66	72	72			
	67	73				
	76	80				
		81				
		82				
		89				
Total:	8	11	6	3	3	2
Community	37	11	5	5	3	3
(No: 20)	38	12	6	12	4	7
	64	24	7	29	6	
	85	25	20	39	18	
		26	21			
		66	22			
		67	58			
		68	59			
		92	73			
			74			
Total:	4	9	10	4	4	2
Cone Bros.	22	101	84	44	28	25
(No: 21)	45	102	85	46	29	
	75	104	86	47		
		105	87			
		106	89			
		111	92			
Total:	3	6	6	3	2	1
Cone Chevrolet	21	101	84	44	28	25
(No: 22)	49	102	85	46		
	74	103	86			
		104	87			
		105				
		108				
Total:	3	6	4	2	1	1

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1830]						
Cornier	7	37	34	18	10	12
(No: 23)	32	38	35	43	11	
	40	39	36			
		40	37			
		41	39			
		100	82			
			83			
Total:	3	6	7	2	2	1
Courtesy	2	9	13	4	2	2
(No: 24)	4	10	27	20	13	9
	9	17	28	21	14	13
	12	30	41	23	15	14
	30	31	42	24	16	
	43	43	44	25		
	47	45	45	26		
	54	46	46			
	55	47	47			
	59	49	48			
	72	50	50			
	84	51	51			
		54	52			
		55	53			
		56	54			
		57				
		58				
		59				
Total:	12	18	15	7	5	4
Davies	17	16	12	7		
(No: 25)		27	23			
		77	78			
			79			
Total:	1	3	4	1	—	—
R. V. Dorweiler	33	3	17	2	5	
(No: 26)	52	5	18	10		
	58	21	57	35		
	67	80	67			
		81	72			
Total:	4	5	5	3	1	—

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1831]						
Economy	1	1	1	1	1	1
(No: 27)	11	2	2	19	12	17
	16	30	40	31	17	
	19	42	43	35	19	
	58	48	60			
	66	51	67			
	67	71	72			
	76	72				
		73				
		81				
		82				
		89				
Total:	8	12	7	4	4	2
Enoch	5	6	8	6	7	4
(No: 28)	8	14	9	15	23	10
	47	15	10	22		
	61	32	11	37		
	78	33	29			
	80	52	30			
		53	49			
		55	71			
		61				
		88				
Total:	6	10	8	4	2	2
Bob Erskine	18	74	61	32	32	18
(No: 29)	77	77	62	52		
	83	114	63			
		115	97			
		116	98			
Total:	3	5	5	2	1	1
Felix	2	32	29	15	7	10
(No: 30)	4	33	30	20	13	13
	9	45	41	21	15	14
	24	46	42	22	16	
	47	47	44	23		
	54	50	45	25		
	55	51	47	26		
	59	52	48			
	78	53	49			
	80	54	50			
	84	55	51			
		56	52			
		57	53			
		58	54			
		59				
Total:	11	15	14	7	4	3

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1832]						
George	5	4	3	3	10	4
(No: 31)	40	7	4	6		6
	48	8	8	9		
	61	14	9	30		
	62	15	10			
	71	69	11			
	81	70	15			
			33			
			37			
			38			
Total:	7	7	10	4	1	2
Fred Gledhill	23	38	34	18	11	8
(No: 32)	63	39	35	38		12
	73	40	36	43		
		41	37			
		83	39			
		84	68			
		91	82			
		100	83			
Total:	3	8	8	3	1	2
McDonald & O'Boyle	26	3	18	2		
(No. 33)	52	63	55	27		
		64	56			
		87	57			
			72			
Total:	2	4	5	2	—	—
Ted Grimm	18	115	96	52	32	
(No: 34)	77	116	97			
		117	98			
Total:	2	3	3	1	1	—
Groth		107	90	45		
				48		
(No: 35)						
Total:	—	1	1	2	—	—
Guaranty	75	111	92	47	31	27
(No: 36)		112	93	50		
		113	94	51		
			95			
Totals:	1	3	4	3	1	1



(A) Dealer [fol. 1833]	(B) Chev.	(C) Ford	(D) Chrys.	(E) AMC	(F) Stude.	(G) VW
Gwynn	1	11	5	5	3	7
(No: 37)	9	12	6	12	4	9
	12	24	7		6	
	15	25	20		17	
	20	26	21			
	55	30	22			
	85	31	27			
		44	28			
		48	41			
		49	43			
		51	46			
		54	50			
			52			
Total:	7	12	13	2	4	2
Robt. Hall	20	11	5	39	3	
(No: 38)	68	66	6			
		92	7			
			73			
			74			
Total:	2	3	5	1	1	—
Hansen	10	9	13	4	2	2
(No: 39)	41	10	14	8	22	5
	43	17	69	24		21
	55	18	70	36		
	57	60		41		
		85				
		86				
		95				
		97				
Total:	5	9	4	5	2	3
Harbor	7	7	3	18	10	12
(No: 40)	23	8	4		11	
	31	15	33			
	48	37	34			
	62	38	35			
		39	36			
		40	37			
		41	38			
		70	39			
Total:	5	9	9	1	2	1

(A) Dealer [fol. 1834]	(B) Chev.	(C) Ford	(D) Chrys.	(E) AMC	(F) Stude.	(G) VW
Hastings	10	60	69	36	22	21
(No: 41)	39	85	70	41		
	53	86				
		95				
		97				
Total:	3	5	2	2	1	1
Hessell	3	22	24	13	8	11
(No: 42)	14	28	25	14	9	15
	51	29	26	16		
	53	34	31	17		
		35	32			
		62				
Total:	4	6	5	4	2	2
Hoehn	10	9	13	4	2	2
(No: 43)	12	10	14	8	14	5
	24	17	27	23	15	9
	39	18	28	24	16	13
	57	30	42	41		16
	59	31	47			
	72	43	48			
	84	45	51			
		46	52			
		58	53			
		60				
		97				
Total:	8	12	10	5	4	5
Hoffman		5	78			23
(No: 44)		36	79			
		96				
Total:	—	3	2	—	—	1
Eddie Hopper	21	102	84	44	29	
(No: 45)		106	88	47		
		111	89	51		
			95			
Total:	1	3	4	3	1	—

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1835]						
Harvey Dallas	3	23	19	11	9	15
(No: 46)	51	28	24	13		
	63	29	25	14		
		34	26	16		
		62	32	17		
		91	49	38		
Total:	3	6	6	6	1	1
Fletcher Jones	2	32	29	15	7	10
(No: 47)	4	33	30	20	8	13
	9	35	31	21	13	14
	24	45	42	22	23	
	28	46	44	25		
	30	47	45	26		
	54	50	49			
	78	52	51			
	80	53	53			
	84	55	54			
		56				
		57				
		58				
		59				
		88				
Total:	10	15	10	6	4	3
Glen Jones	5	4	3	3		
(No: 48)	31	7	4	6	10	4
	40	8	8	9	23	6
	61	14	9	37		
	62	15	10			
	81	19	11			
		20	15			
		61	16			
		69	33			
		70	38			
			71			
Total:	6	10	11	4	2	2
Tom Keating	22	4	85	30		24
(No: 49)	71	69	86	46		25
	81	103	87			
		104				
		105				
Total:	3	5	3	2	—	2

(A) Dealer [fol. 1836]	(B) Chev.	(C) Ford	(D) Chrys.	(E) AMC	(F) Stude.	(G) VW
Deeb Motors (No: 50)	3 63	22 28 29 62 75 91	25 26	13 14 17 38	9 20	15
Total:	2	6	2	4	2	1
Kenneth (No: 51)	3 14 42 46 54 80	22 23 28 29 34 35 47 62	19 24 25 26 31 32 49	11 13 14 16 17 22	8 9	11 15
Total:	6	8	7	6	2	2
Kent (No: 52)	16 26 33 58 76	1 3 21 63 64 72 73 80 81 82 87	17 18 55 56 57 60 67 72	2 10 27 31 35	5 19	17
Total:	5	11	8	5	2	1
Owen Keown (No: 53)	10 39 41 42 57	17 18 22 60 85 86 95 97	13 14 69 70	8 36 41	22	5 11 21
Total:	5	8	4	3	1	3

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrya.	AMC	Stude.	VW
[fol. 1837]						
Harry Mann	4	17	13	8	8	5
(No: 54)	14	18	14	16	13	11
	24	34	24	20	15	13
	30	35	31	22		14
	47	45	32	23		
	51	46	42	24		
	57	47	44	25		
	80	53	45	26		
	84	55	49			
		57	51			
		58	53			
		59	54			
Total:	9	12	12	8	3	4
Metropolitan	1	24	20	12	6	7
(No: 55)	2	25	21	21	14	9
	4	26	22	23	15	14
	9	30	27	25	16	
	12	31	28			
	15	43	41			
	24	49	42			
	30	50	44			
	37	51	45			
	59	54	46			
	72	56	47			
	85	57	48			
		58	50			
			51			
			52			
			53			
Total:	12	13	16	4	4	3
Miller Connell		109	91	45		26
(No: 56)		110				
Total:	—	2	1	1	—	1

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1838]						
Milliken	10	9	13	4	2	2
(No: 57)	34	10	14	8	8	5
	39	17	31	20	13	11
	43	18	42	23	14	13
	53	35	47	24	15	
	54	43	48	41		
	59	45	51			
		46	54			
		47				
		58				
		59				
		60				
		95				
		97				
Total:	7	14	8	6	5	4
Mission	16	1	1	1	1	1
(No: 58)	19	2	2	2	5	17
	26	3	17	10	19	
	27	21	18	31		
	52	71	60	35		
	96	72	67			
	67	73	72			
	76	80				
		81				
		82				
		87				
		89				
Total:	8	12	7	5	3	2
A. E. Nugent	4	9	13	4	2	2
(No: 59)	9	10	14	8	13	5
	12	17	27	20	14	9
	24	18	28	21	15	13
	30	30	42	23	16	14
	43	31	44	24		
	55	43	45	25		
	57	45	46	26		
	72	46	47			
	84	47	48			
		49	51			
		50	52			
		54	53			
		58	54			
		59				
Total:	10	15	14	8	5	5

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1839]						
Ostrom	8	2	15	1	12	
(No: 60)	11	6	16	9	26	
	61	19	40	19		
	67	20	80	28		
	79	42		42		
		65				
		98				
		99				
Total:	5	8	4	5	2	—
Paramount	5	6	3	3	23	6
(No: 61)	8	7	4	6		
	28	8	9	9		
	31	14	10	28		
	48	19	11	30		
	60	20	15	37		
	81	61	16			
		65	71			
		69				
		70				
		88				
Total:	7	11	8	6	1	1
Parkwood	5	4	3	3	10	4
(No: 62)	7	7	4	18		
	31	8	9			
	40	15	33			
	48	37	34			
	71	39	35			
		40	37			
		41	38			
		70	39			
Total:	6	9	9	2	1	1
Pauls	32	23	19	11	9	8
(No: 63)	46	29	25	13	20	
	50	75	26	17		
		91	82	38		
		100	83	43		
Total:	3	5	5	5	2	1

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1840]						
Martin Pollard	20	11	5	5	3	3
	65	12	6	29	4	16
(No: 64)	72	67	7	40	18	22
		68	58		24	
		90	59		25	
		93	75			
		94	76			
			77			
Total:	3	7	8	3	5	3
Pollard Ravens	64	68	58	29	18	16
		90	59	40	24	19
(No: 65)		93	65		25	22
		94	75			
			76			
			77			
Total:	1	4	6	2	3	3
Ernie Porter	1	1	1	1	1	1
	15	2	2	31	17	17
(No: 66)	16	44	43	35	19	
	19	48	60			
	27	71	67			
	58	72				
	67	73				
	76	80				
		81				
		82				
		89				
Total:	8	11	5	3	3	2
Potter	1	1	1	1	1	1
	11	2	2	19	12	17
(No: 67)	16	42	17	28	17	
	19	48	18	31	19	
	26	65	40	35		
	27	71	43			
	58	72	60			
	60	73	67			
	66	80	72			
	76	81				
		82				
		89				
Total:	10	12	9	5	4	2



(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrya.	AMC	Stude.	VW
[fol. 1841]						
Ed. Priester	15	11	5	5	3	
(No: 68)	38	12	6	12		
	85	25	7	39		
		26	20			
		44	21			
		66	73			
		92				
Total:	3	7	6	3	1	—
Rancho	70	13	64	33	21	19
(No: 69)		76	65			
		94	77			
Total:	1	3	3	1	1	1
Clem Ruh	69	13	64	33	21	19
		76	65			
(No: 70)						
Total:	1	2	2	1	1	1
S & J	31	4	3	3		
(No: 71)	49	7	4	30		
	62	8	33			
	81	69				
		103				
Total:	4	5	3	2	—	—
Schonlaw	9	9	27	4	2	2
(No: 72)	12	10	28	23	14	3
	24	17	42	24	15	9
	43	30	46	25	16	13
	55	31	47			16
	59	43	48			
	64	45	51			
	84	49	52			
		54	53			
		58	58			
		67				
		90				
Total:	8	12	10	4	4	5

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1842]						
Seaboard	32	83	68	43		8
(No: 73)		84	82			
		100	83			
Total:	1	3	3	1	—	1
Security	22	104	85	46		
(No: 74)	82	105	86	49		
		108	87			
Total:	2	3	3	2	—	—
Selman	21	102	84	47	31	27
(No: 75)	36	111	92	50		
		112	93	51		
		113	94			
			95			
Total:	2	4	5	3	1	1
Service	16	1	1	1	1	1
(No: 76)	19	2	2	31	17	17
	27	44	43	35	19	
	52	48	60			
	58	71	67			
	66	72	72			
	67	73				
		80				
		81				
		82				
		87				
		89				
Total:	7	12	6	3	3	2
Smith	18	114	61	52	32	18
(No: 77)	29	115	62			
	34	116	96			
	83	117	97			
			98			
Total:	4	4	5	1	1	1

(A) Dealer [fol. 1843]	(B) Chev.	(C) Ford	(D) Chrys.	(E) AMC	(F) Stude.	(G) VW
Sopp (No: 78)	2 4 8 11 28 30 47 80	6 32 33 42 50 52 53 55 56 57 59 61 88	29 30 40 44 45 71	15 19 21 22 26 37	7 12 23	10 14
Total:	8	13	6	6	3	2
Sorenson (No: 79)	60	20 65 98 99	16 80 81	28 42 49	26 27	24
Total:	1	4	3	3	2	1
Southwest (No: 80)	4 14 28 30 47 51 54 78 84	32 33 34 35 45 46 47 50 52 53 55 57 58 59 88	24 29 30 31 32 42 44 45 49 51 54	15 16 20 21 22 26	7 8 13 23	10 11 13 14
Total:	9	15	11	6	4	4
Stanley (No: 81)	31 48 49 61 71	4 7 8 19 20 69 70 98 99	3 4 15 16 33 80 81	3 9 30	27	6
Total:	5	9	7	3	1	1

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1844]						
Steves	74	104	81	49	27	24
(No: 82)		105	85			
		108	86			
Total:	1	3	3	1	1	1
Vista	29	74	61	32	32	18
(No: 83)	77	114	62	52		
		115	63			
		116	96			
			97			
			98			
Total:	2	4	6	2	1	1
West Adams	4	9	13	4	2	2
(No: 84)	9	10	14	8	8	5
	12	17	27	20	13	9
	24	18	28	21	14	13
	30	30	31	23	15	14
	43	31	42	24	16	
	47	35	44	25		
	54	43	45			
	57	45	47			
	59	46	48			
	72	47	51			
	80	50	52			
		54	53			
		55	54			
		56				
		57				
		58				
		59				
Total:	12	18	14	7	6	5
Wondries	1	11	5	5	3	7
(No: 85)	9	12	6	12	4	
	12	24	7		6	
	15	25	20		17	
	20	26	21			
	37	30	22			
	55	31	27			
	68	44	28			
		48	41			
		49	43			
		51	46			
		54	50			
Total:	8	12	12	2	4	1

[fol. 1845]

[File endorsement omitted]

[fol. 1846] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AA

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN  
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil No. 62-1208-CC

UNITED STATES OF AMERICA, Plaintiff,

v.

GENERAL MOTORS CORPORATION; LOSOR CHEVROLET DEALERS  
ASSOCIATION; DEALERS' SERVICE, INC.; AND FOOTHILL  
CHEVROLET DEALERS ASSOCIATION, Defendants.

STIPULATION OF FACTS NUMBER TWO—May 20, 1964

[fol. 1847] Plaintiff and each of the defendants, through  
their respective counsel, hereby stipulate that witnesses,  
if called, would testify to the following facts:

1. The photographs annexed hereto as Attachments 1,  
3, 4 and 5 are true and correct reproductions of photo-  
graphs taken at the Gemco Auto Show held at the Gemco  
parking lot, 2310 West Lincoln, Anaheim, California,  
on Friday evening, November 11, 1960, and Saturday,  
November 12, 1960. Each of such photographs fairly  
and accurately represents the physical appearance of the  
pictured portion of the said Gemco Auto Show at the  
time such photographs were taken.

Said photographs show that the cars on display at the  
described Gemco Auto Show included the following new  
Chevrolet automobiles:

- (1) A 1961 Model 927 Chevrolet Monza Coupe (white)  
(Shown in Attachment 1);
- (2) A 1961 Model 927 Chevrolet Monza Coupe (black)  
(Shown in Attachments 3 and 5);
- (3) A 1961 Model 1839 Chevrolet Impala Sports  
Sedan (Shown in Attachments 1, 3 and 4);
- (4) A 1961 Model 1837 Chevrolet Impala Sports  
Coupe (Shown in Attachments 1, 3, 4 and 5).

[fol. 1848] 2. As shown in Attachment 1, attached to the rear bumper of the 1961 Model 1837 Chevrolet Impala Sports Coupe is a Citizens Chevrolet license plate frame and cardboard filler similar to the one pictured in Attachment 2 of this stipulation.

3. Attachment 2 annexed hereto is a true and correct photographic copy of the license plate frame and cardboard filler regularly attached to new 1961 Chevrolets by the Citizens Chevrolet Company, Eagle Rock, California.

4. As shown in Attachments 3 and 5, pasted on the inside of the left rear window of the 1961 Model 1837 two-door Impala Sports Coupe is a manufacturer's suggested retail price "sticker" required by federal statute (Public Law 85-506, 85th Congress) to be attached by each manufacturer to each new car it sells to a dealer. A sample of the form of such sticker used by the Chevrolet Motor Division for this purpose is attached to this stipulation as Attachment 6.

5. As shown in Attachment 4, a Citizens Chevrolet license plate frame similar to the one pictured in Attachment 2 (without the cardboard filler) is attached to the center of the rear bumper of the 1961 Model 1837 Chevrolet Impala Sports Coupe.

[fol. 1849] 6. The advertising materials attached hereto as Attachments 8 through 59 and described in the attached list, marked Attachment 7, are true and accurate samples of the advertising material of the described kinds used by the concessionaires, discount houses and referral services named therein during the period between January 1, 1960 and October 12, 1961.

A. Each of such advertising materials designated as a "newspaper ad" in column 2 of such list is a true and correct copy of a page from the newspaper named in column 3 of such list, circulated on the date or dates shown in column 4 thereof, containing a paid advertisement which the concessionaire, discount house or referral service named in column 5 of such list caused to be so published in the said newspaper.

B. Each of such advertising materials designated as "general ad" in column 2 of such list is a true and correct copy of a piece of advertising or a page from

advertising material which was distributed to the public either by hand or by United States mail under the direction of the concessionaire, discount house or referral service named in column 5 of such list.

[fol. 1850] C. The advertising material designated "Chevrolet brochure" in column 2 of such list is a true and correct copy of a brochure printed under the direction of the Chevrolet Motor Division of General Motors Corporation and distributed by said Chevrolet Motor Division to Chevrolet dealers. Subsequent to such distribution this brochure was hand stamped by or at the direction of Leonard's Store as follows:

"\$\$\$ Save \$\$\$  
New Cars  
Leonard's  
International  
600 No. Sepulveda-El Segundo"

and was distributed to the public at such Leonard's Store.

7. The advertising materials attached hereto as Attachments 60 through 63, and described below, are true and accurate samples of the advertising material of the described kinds used by the concessionaires, discount houses and referral services named during the period between January 1, 1960 and October 12, 1961.

A. Attachment 60 hereto is a true and correct copy of a business card used by sales representatives at and distributed to the public under the direction of J. M. Arnoff Co. (Big "A" Store), 8341 Canoga Avenue, Canoga Park, California.

[fol. 1851] B. Attachment 61 hereto is a true and correct copy of a "fold-over" business card used by sales representatives at and distributed to the public under the direction of Fleet Sales Company, 3870 Crenshaw Boulevard, Los Angeles, California.

C. Attachments 62 and 63 hereto are true and correct copies of a portion of the "referral slip" used by certain Chevrolet dealers and Fleet Sales Company, as described by Charles Miller and Bernard T. Dottl in Defendants' Designations and Affidavits.

\* \* \* \* \*

[fol. 1852] Dated May 20, 1964.

Maxwell M. Blecher, Robert C. Weinbaum.  
Maxwell M. Blecher, Attorney, Department  
Justice. O'Melveny & Myers, Lawler, Felix  
Hall, Aloysius F. Power, Robert A. Nitsch  
Nicholas J. Rosiello. By Homer I. Mitch  
Hansen & Dolle, Glenn S. Roberts. By Victor  
Hansen, Attorneys for Defendants.

It is so ordered this 1st day of June, 1964.

Charles H. Carr, United States District Judge.



[fol. 1853]

(1)	(2)	(3)	(4)	(5)	(6)
Attachment No.	Form of Advertisement	Name of Publication	Date of Publication	Name of Concessionaire; Discount House or Referral Service	Advertised Location
8	Chevrolet brochure	Evening Telegram (San Bernardino)	Oct. 1960	Robert Chico, FORE	1201 E. Highland, San Bernardino
9	Newspaper ad	The Daily Sun (San Bernardino)	9/22/60	" "	" "
10	"	Evening Telegram (San Bernardino)	9/23/60	" "	" "
11	"	Gemco Buyers Guide	11/4/60	" "	" "
12	General ad	"	April 1960	Robert Chico, Gemco	9700 Lincoln, Anaheim
13	"	"	May 1960	" "	" "
14	"	"	Sept. 1960	" "	" "
15	"	"	Nov. 1960	" "	2310 W. Lincoln, Anaheim
16	Newspaper ad	Los Angeles Times	11/10/60	" "	9700 Lincoln, Anaheim
17	General ad	Gemco Magazine	Dec. 1960	" "	2310 W. Lincoln, Anaheim
18	"	"	"	" "	" "
19	"	"	"	" "	" "
20	"	Gemco Buyers Guide	Jan. 1961	" "	" "
21	"	The Register (Santa Ana)	6/23/61	Gemco	" "
22	"	"	7/28/61	"	" "
23	"	The News (Garden Grove)	8/11/61	"	" "
24	"	Daily News-News Advertiser (Garden Grove)	6/30/60	"	" "
25	"	The Register (Santa Ana)	10/27/60	Robert Chico, ABC Store	3328 W. Bolsa, Santa Ana
26	"	The News (Garden Grove)	6/7/61	ABC Store	" "
27	"	" (2 pg.) N. Hollywood Valley Times	11/24/60	Robert Chico, Big "A" J. M. Arnoff Co.	8341 Canoga Ave., Canoga Park

(1) Attachment No.	(2) Form of Advertisement	(3) Name of Publication	(4) Date of Publication	(5) Name of Concessionaire; Discount House or Referral Service	(6) Advertised Location
[fol. 185-4]					
28	Newspaper ad	L. A. Herald & Express	11/24/60	Robert Chioo, Big "A"	8341 Canoga Ave.,
29	"	"	11/24/60	J. M. Arnoff Co.	Canoga Park
30	"	Los Angeles Times	11/27/60	"	"
31	General ad	Cal Stores Magazine	Jan. 1960	Cal Fleet Auto Sales (Cal Stores)	2500 E. Carson, Lakewood
32	"	"	Feb. 1960	"	"
33	"	"	March 1960	"	"
34	"	"	May 1960	"	"
35	"	"	June 1960	"	"
36	"	"	July 1960	"	"
37	"	"	Sept. 1960	"	"
38	"	"	Nov. 1960	"	"
39	"	"	Jan. 1961	"	"
40	"	"	March 1961	"	"
41	"	"	Sept. 1961	"	"
42	"	Cal Stores Magazine	Undated	"	No address shown
43	Newspaper ad	Sana Ana Register	"	"	"
44	General ad	CMA News	Oct. 1960	Union Car Sales (CMA)	"
45	"	Fedco Reporter	July 1960	Dealers Diversified	"
46	"	Garden Grove News	6/2/60	Services, Inc., Fedco	"
47	Newspaper ad	"	"	AAAA Auto Lease & Sales,	12891 Harbor Blvd., Garden
				Inc., Leonard's	Grove; 600 N. Sepulveda Blvd.,
					El Segundo

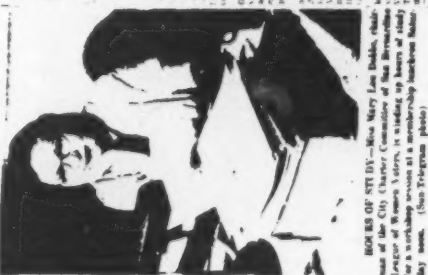
(1) Attachment No. [fol. 1855]	(2) Form of Advertisement	(3) Name of Publication	(4) Date of Publication	(5) Name of Concessionaire; Discount House or Referral Service	(6) Advertized Location
48	Newspaper ad	Daily News-News Advertiser (Garden Grove)	6/9/60	AAAA Auto Lease & Sales, Inc., Leonard's	12891 Harbor Blvd., Garden Grove, 600 N. Sepulveda Blvd., El Segundo
49	"	The Register (Santa Ana)	7/6/60	"	Both above addresses
50	"	Daily News (Garden Grove)	7/7/60	"	"
51	"	Los Angeles Times	8/18/60	"	"
52	"	Daily News (Garden Grove)	8/25/60	"	"
53	"	Los Angeles Times	8/25/60	"	"
54	"	The Register (Santa Ana)	8/31/60	"	"
55	"	Los Angeles Times	9/1/60	"	"
56	"	Daily News (Garden Grove)	10/20/60	"	"
57	"	The Register (Santa Ana)	10/20/60	"	2891 Harbor Blvd., Garden Grove
58	General ad	Garden Grove Welcome Book	1960-61	"	Both above addresses
59	"			"	600 N. Sepulveda Blvd., El Segundo, Calif.

Attachment 7

# 17 MODEL HOMES TO GO ON DISPLAY AS MISSILES Program Move to Norton Still Under Wraps

Friday, Sept. 23, 1960 THE DAILY CLERK B-1

The 17 model homes to be displayed at the new missile program move to Norton Air Force Base will be open to the public from 10 a.m. to 5 p.m. each day from September 24 to September 30. The homes are located at the new missile program move to Norton Air Force Base, which is being moved from its present location at the old missile program move to Norton Air Force Base.



BOYER OF STUDY—Miss Mary Lee Babin, chairwoman of the League of Women Voters, is talking with a member of the League of Women Voters, a membership information day session. (See Telegram photo)

## League Women Plan Panel Talk for Membership Fete

The League of Women Voters is planning a membership fete and panel talk for September 24 at the new missile program move to Norton Air Force Base. The fete will be held from 10 a.m. to 5 p.m. and will feature a panel talk by Miss Mary Lee Babin, chairwoman of the League of Women Voters, and a membership information session.

The fete will be held from 10 a.m. to 5 p.m. and will feature a panel talk by Miss Mary Lee Babin, chairwoman of the League of Women Voters, and a membership information session.

# FORE

MEMBERSHIP DEPARTMENT STORE

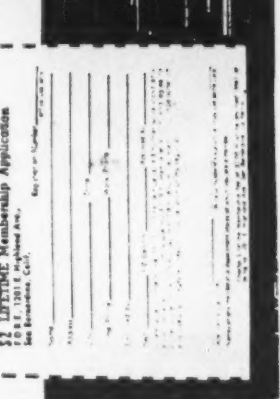
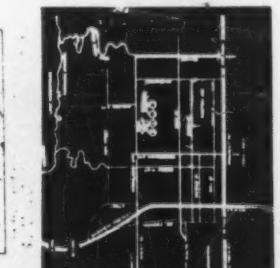
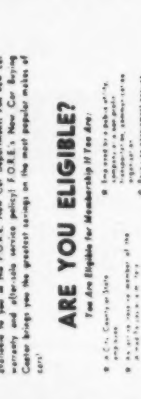
Open Soon at 1201 L. Highland Ave., San Bernardino

HOUSE PLYWOOD OF 1104 WATERMAN AT BALD LANE

WEDNESDAY, SEPTEMBER 28, 1960

HOUSE PLYWOOD OF 1104 WATERMAN AT BALD LANE

WEDNESDAY, SEPTEMBER 28, 1960



## COMPLETE DEPARTMENTS

INCLUDING NEW 1961 AUTOMOBILES

At FORE's, Inc., you get it all! No need to shop all over Southern California for your 1961 car! The most wanted makes of 1961 cars will be available to you in the FORE New Car Department! Full new car warranty and attractive service policy! FORE's New Car Buying Center brings you the greatest savings on the most popular makes of cars.

## ARE YOU ELIGIBLE?

See Are Eligible for Membership If You Are:

- 1. A U.S. Citizen or born
- 2. At least 21 years of age
- 3. A resident of California
- 4. A resident of the San Bernardino County area
- 5. A resident of the San Bernardino County area
- 6. A resident of the San Bernardino County area
- 7. A resident of the San Bernardino County area
- 8. A resident of the San Bernardino County area
- 9. A resident of the San Bernardino County area
- 10. A resident of the San Bernardino County area

## JOIN NOW

1. LIFETIME Membership Application

2. \$1.00 Dues

3. \$1.00 Dues

4. \$1.00 Dues

5. \$1.00 Dues

6. \$1.00 Dues

7. \$1.00 Dues

8. \$1.00 Dues

9. \$1.00 Dues

10. \$1.00 Dues

## WANTED YOUR LIFE'S SAVINGS REWARD

ADDITIONAL REWARD

1. \$1.00 Dues

2. \$1.00 Dues

3. \$1.00 Dues

4. \$1.00 Dues

5. \$1.00 Dues

6. \$1.00 Dues

7. \$1.00 Dues

8. \$1.00 Dues

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10. \$1.00 Dues

## WANTED YOUR LIFE'S SAVINGS REWARD

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9. \$1.00 Dues

10. \$1.00 Dues

## SIERRA SAVINGS

ADDITIONAL REWARD

1. \$1.00 Dues

2. \$1.00 Dues

3. \$1.00 Dues

4. \$1.00 Dues

5. \$1.00 Dues

6. \$1.00 Dues

7. \$1.00 Dues

8. \$1.00 Dues

9. \$1.00 Dues

10. \$1.00 Dues

## FRIGIDAIRE'S RING CIRCUS LAUNDRY VALUES

THE NEW FRIGIDAIRE FRONT LOADING WASHER

1. \$1.00 Dues

2. \$1.00 Dues

3. \$1.00 Dues

4. \$1.00 Dues

5. \$1.00 Dues

6. \$1.00 Dues

7. \$1.00 Dues

8. \$1.00 Dues

9. \$1.00 Dues

10. \$1.00 Dues

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10. \$1.00 Dues

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7. \$1.00 Dues

8. \$1.00 Dues

9. \$1.00 Dues

10. \$1.00 Dues

5-15-SPRINGFIELD TEL. 134-1141



Your Response to Our 7-Day Public Showing  
**OVERWHELMING!**

MORE **100,000**  
OF YOU VISITED  
F.O.R.E. (BY ACTUAL  
COUNT AT THE DOOR)

1201 East Highland Avenue, San Bernardino

**FOR THE MOST IN SAVINGS!**

**FORE**

GROCERY DEPT.

Save your food budget problems at **FORE**, where you get greater variety, better selection and at **FORE** at lowest prices!

**DAILY DIET DOG FOOD**  
NO. 1 TALL CAN  
**5¢**

**COLORTEX—PAPER NAPKINS**  
Soft and Absorbent  
10 COUNT  
PACKAGE  
**7¢**

**ICE CREAM**  
ASSORTED FLAVORS  
1/2-GALLON  
**69¢**

**TOMATO JUICE**  
SPRINGFIELD  
A delicious, refreshing treat... Vitamin packed  
48-oz. Cans  
**17¢**

Shop today. Tomorrow or the next... No matter when you buy your grocery needs... you save **MORE** at **FORE**...

LIMIT RIGHTS RESERVED — ABOVE PRICE EFFECTIVE THRU NOV. 13th

**FOR THE MOST IN SAVINGS!**

**FORE**

GROCERY DEPT.

OUR LOW PRICES ARE EVERYWHERE!



**11 PIECE STARTER GOLF SET**

WONDERFUL BUY FOR THE BEGINNER

- WELL MADE IRONS
- 2 WELL BALANCED WOODS
- BAG FOR EASY HANDLING
- 3 GOLF BALLS
- 2 WOOD COVERS

F.O.R.E. PRICE **\$34.95** SET

**KROYDON Golf Sets \$54.95**



**110 POUND MARBELL SET**  
Complete with divided bag  
**\$20.95**

**COLEMAN ICE CHEST**  
Model 5114  
Limited Quantity  
**\$9.48**

**CROOK SET**  
4 Head  
**\$31.95**

**FORE**

**NEW CAR DEPARTMENT**

PICK THE ONE THAT SUITS YOU BEST!

Your new car department has all the latest models. They are factory fresh with complete service and warranty.

If you are interested in any new car, read these facts. Here is the key to the modern miracle of motor car savings.

Since we have no as to grind, we do not push any particular make or model. You are free to make any selection you like... buy cars, compact, or imported.

Complete selection of equipment, colors, and upholstery fabrics from 1961 factory specifications.

We take trading-in and allow you the top market value for your car. Interest 1 bank rate 5%... 20% down. 36 months to pay.

F.O.R.E. INSURANCE, INC.

One-Stop Insurance Service

- AUTOMOBILE
- HOME OWNERS
- FIRE
- THEFT
- LIFE
- HEALTH AND ACCIDENT
- COMMERCIAL
- INDIVIDUAL

**Card To R**

San Bernardino High School from Riverside 4 p.m. to 10 p.m.



**NEW NEWS-UP**  
Archives starts at 10 p.m. for San Bernardino High School from Riverside 4 p.m. to 10 p.m.

**IN N.Y. TONIGHT**  
**Chargers AFL Top 5**

**Cow Palace For L.A., Nat**



**RED WORRIED LANS' DEFENSE**



# THE BILLBOARD

BUY SELL TRADE



**BOAT** for sale, 14' plywood, glass lined, 6 h.p. Mercury motor and trailer, \$255. complete. Robert Myers, LAmbert 8-8250.

**HOUSE FOR SALE BY OWNER**—2 & 3 BEDROOM, duplex, w/w carpet throughout—Many extras. Perfect condition. 3 1/2 years old. Pay to existing 4 1/2% loan then \$116 per month. Excellent location. Original owner living in 3 bedroom. Immediate possession. 727 Chelvan Circle, Orange. Phone KE 8-7772

**WESTINGHOUSE** refrigerator and freezer, O'Keefe & Merritt Gas Stove, Pink G. E. 11 cu ft. refrig. & freezer revolving shelves. Pink G. E. Electric double Oven Stove. Pink G. E. Washer. Westinghouse Washer. All in excellent condition. Moving to home with built-ins. Must sell. Phone KE 8-7772.

**FOR SALE**, 5 foot modern bathtub and double stationary tubs. Contact T. O. Millard at 7331 9th St., Buena Park, or call LA 2-6787.

**FOR SALE**, Used Cabinets, lumber and shelving. Ideal for workshop or garage. Ira Forrest, 9441 Belfast Drive, Garden Grove, California. JE 4-0424

**REARS** Wringer type washer, \$25.00. Neon Sign Electric Clock, \$75.00. Maple Cutting Board, 3x20 1/2x48, \$40.00. Commercial B.B.Q. Machine (6-2 lb. birds) on stainless steel stand, \$200.00. Phone LI 8-8601, 166 Virginia Place, Costa Mesa, Calif.

**FOR SALE**, Complete shoe bronzing business, cost \$250. Will sell for \$100. Also American Flyer train layout. Ph. LA 6-1712. 2213 W. Carol Dr. Fuller, In.

**14-FT. RUN-A-BOUT**  
**BOAT FOR SALE**, Leather upholstered, fiberglass bottom, mahogany top deck, windshield, steering, 20 h.p. Merc motor, with trailer. Reasonable. Phone JA 7-9806.

**FOR SALE**, Pontiac, 1956, Hydramatic, Radio, heater, hardtop, 4-door, whole sale book price, \$775. Phone JA 7-9152.

**SIMMONS** hide-a-bed 81", long boy with \$79.50 Beauty Rest mattress and wide sit-on-arms. Persimmon-rose color. Cost \$200.00 last year, sacrifice \$145.00 Maple Bed, innerpring and mattress with four drawer chest, matching mirror and what-not shelf. Good condition. \$50.00. PR 4-4123.

**HUNTER** quick draw holster for double nine pistol. Like new \$7.00. 12203 Roseton Ave., Norwalk. UN 4-9590.

**WILL DO** painting in exchange for a car, furniture or misc. Ph. JA 7-2456.

**WALNUT** bedroom suite—Bed, double dresser and chest on chest.

RCA Mahogany 12 1/4 inch TV comb. Radio-Phonograph-TV.

2 wooden Dinette Sets, Pictures, etc. Priced for quick sale. Ph. LE 9-3417.

**MODERN** divan, chair, and Ottoman, brown and white tweed. All 3 pieces, \$100. Phone LA 2-8503.

**MODERN** dining room set, dropleaf extends 7 foot. Custom pad for table, 6 chairs. Phone JA 7-8512.

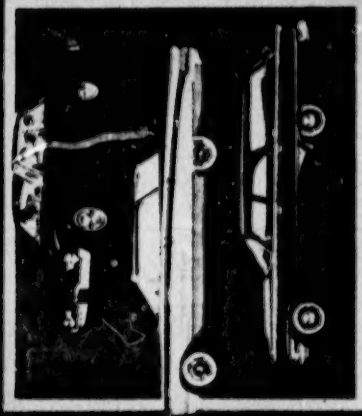
**FOR SALE**, 120 bass accordian, red and white pearl with three tone changes, \$125. Also Kenmore console mangle, \$75. Phone JA 7-2306.

**LEICA** LENSES, 90 mm \$35, 35 mm

Wide Angle, \$40, E-2 Summer, 50 mm \$30 and other items. Sell or trade. Ph. LA 5-2700.

**HOTPOINT** electric stove, 1st class condition, \$75.00. Hotpoint refrigerator, 11 cu. ft. Like new, \$100.00. Iron-rite Ironer, \$100.00. Phone LE 9-2729.

Be sure and submit your ad for next months issue. You must have it in by the 19th to assure publication.



**WHY PAY HUNDREDS OF DOLLARS EXTRA ELSEWHERE!** Shop around and then bring your best possible price into Gemco. Then you'll find out why we say "BETTER BUYING MEANS BETTER LIVING."

from the desk of . . . Gemco George

Your response to our GEMCO-GRAM was certainly wonderful. We have therefore taken the liberty of including it in this month's issue in case you have misplaced the last magazine. This is very possibly the last time this will be offered, so . . . if you wish to participate, I urge you to hurry to avoid being disappointed.

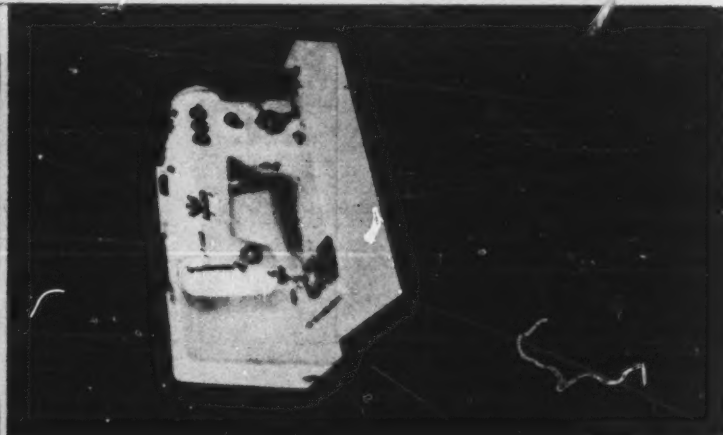
Our patio department is in full swing now. Don't forget to stop in and see all the quality outdoor furniture and accessories that make California Living a reality.

Watch for your mid-month flyer this month. It has exciting Sporting news. I can't tell you all the details right now, but I CAN tell you that it's something that you won't want to miss . . .

Remember . . . If you're shopping for a really exceptional gift for Mom or your wife, we would like to remind you that all of Gemco's departments are packed-up with a fabulous array of gift items that will make selecting the "Just Right Gift" a real pleasure.

See you next month . . .

GEMCO GEORGE



VISIT OUR COMPLETE  
RUG AND CARPET DEPT.

**2.97**  
AT GEMCO

BUY SELL TRADE

1963 FORD, one owner, \$175; Vacuum with attachments, \$10; Youth Bed, clean mattress & side rails, \$25. Phone JA 7-9824.

Marchant Calculator Machine — Good working condition. \$125.00. Call Hugh Carey PR 2-2000 Ext. 36

1960 KAMPER KABIN, for Std. Short Bed, Five Lower Windows, Interior Lights, Top Vent, Table & Twin Beds. 2827 E. La Palma Ave. Lot 44 Anaheim.

500 x 15 1st Line Tubeless Tire Good year Never used. \$18.00 PR 4-5562.

LAKE ARROWHEAD—Home for Rent by Day or Week. \$10 per day. Call LA 1-2517.

British made Baldwin Trumpet, excellent condition. \$85.00. 3237 Stonybrook Dr., West Anaheim. Taylor 8-1744.

NEED RIDE to Nortonix (Northrop Hawthorne) daily. My hours: 7:30 a.m. to 4:15 p.m. Pick up at Chapman Ave. & Emerald St. Eastgate - Garden Grove. — 11912 Emerald St. - 1 block North of Chapman.

FOR SALE—30" Roll-Away Bed with Mattress. Good condition. \$10.00. Ph. LA 6-1712.

1959 - 16 ft. plywood glassed boat and trailer. 35 H.P. Evinrude outboard—Forward controls. Life jackets—Bait pump. Extras. \$900.00. 11022 Hebard Place, Garden Grove. JE. 4-5636.

WANTED to Buy Bottle Gas Regulator and connections. Also stroller in good condition. LA 6-1712.

MOVIE CAMERA 8mm Keystone Mag. loading. Built-in light meter. Complete with leather case. Cost \$175. Like new; \$65.00. JE 4-0424.

SUNBEAM ELECTRIC SHAVER Perfect condition. \$10.00 JE 4-0424.

PHOTO EQUIPMENT — One 80-A Polaroid w/Model 281 flash, \$45. One 95-B Polaroid, brand new. List \$97.50; sell \$65. One Keystone K 32 8 mm. Movie Camera, f1.9 in focusing mount, light bar, conversion filter, \$35. Phone LA 6-5804.

POWER TOOLS — Woodworking. Call JA 7-6254.

FOR SALE—New 11' x 9' tent, Coleman lantern, 2-burner stove and 3 air mattresses. \$40.00. 8726 Harrison Way, Buena Park.

FOR SALE—Coffee table with 2 matching end tables, walnut finish. In good condition. Call LE 9-7403.

FOR SALE—1964 Volkswagon, \$700.00. 11022 Hebard Pl., Garden Grove—JE 4-5936.

The BUTTONS & BOWS are sponsoring a beginner square dance class starting Oct. 5th, 1960 — for information phone LA 6-7497 or JA 7-8877.

BLONDE Dining Room Table and four chairs in good condition. \$40 or make offer. KE 3-3016.

National Health Federation invites the public to their regular meetings which are held each month on the third Monday, from 7:30 to 9:30 P.M., at 211 East Center Street, Anaheim. Ample parking is available in the rear of the building. Use back door and take the elevator upstairs.

Each month a featured speaker discusses subjects relating to Health and Nutrition.

# NURSERY SCHOOL CONDUCTS MEMBERSHIP DRIVE

The Buena Park Parent Nursery School is conducting a membership drive for the fall school term. You may enroll your children, ages 2 years, 9 months to school age. These classes will be conducted by Mrs. Robert A. Poor. A varied curriculum will be offered including: easel painting, finger painting, playing with clay, pasting and cutting, singing, etc. An outdoor fenced yard is supplied with the use of playground equipment. Juice and crackers are daily routine.

This is a non-profit organization. A nominal monthly tuition covers the teachers salary and operational expenses.

Orientation meetings will be held for interested mothers. Information on these meetings may be obtained from Mrs. Don Blanchard (JA 7-4781) or Mrs. Bob Martin (JA 7-5842).

FOR RENT—Room and bath for employed lady. PR 4-9006 after 5:00 p.m.  
FOR SALE—Heavy duty sewing machine. \$40.00. Call JA 7-6759. After 6:00 P.M.

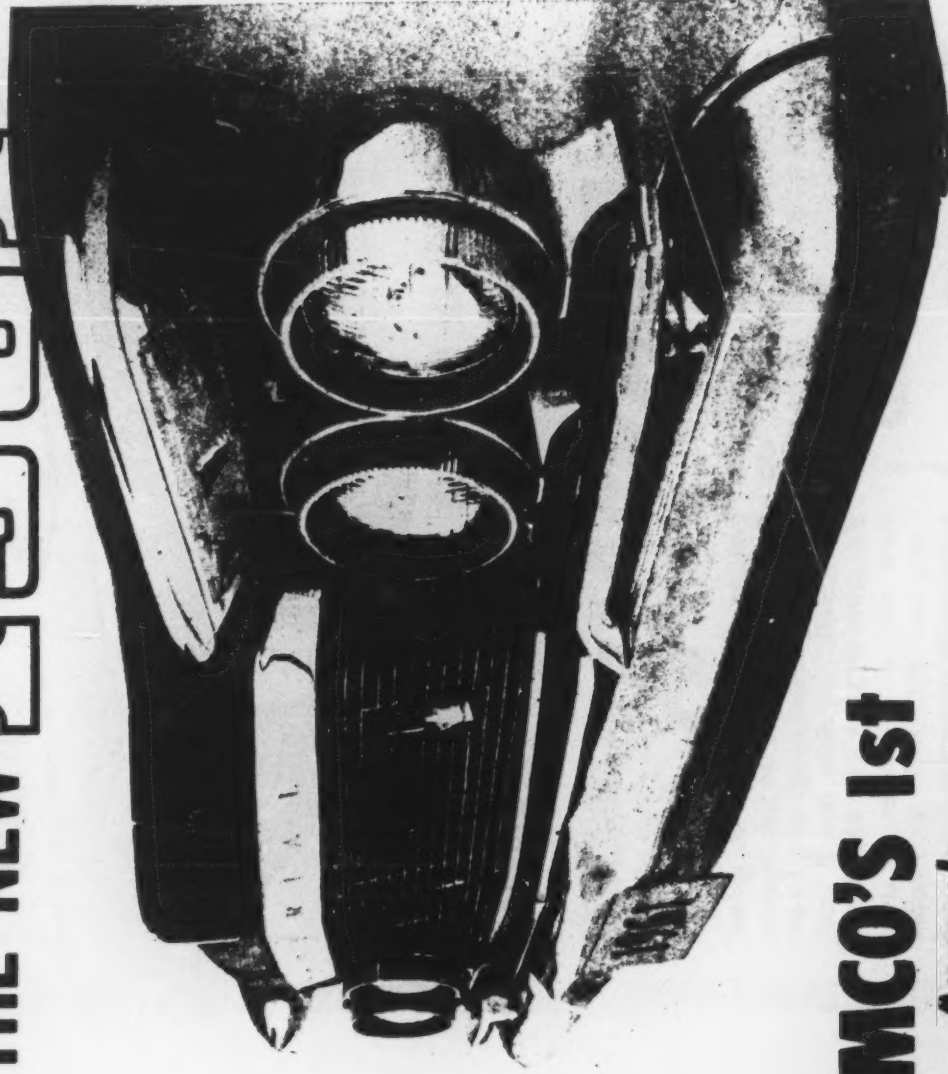
51 FORD EC 6, 86ck, R&H. Good condition. Must sell before Sept. 10. \$275.00. After 6:00 P.M. JA 7-6759.

# NEW CARS CAN NOW BE ORDERED AT GEMCO

1. PAY NO MORE FOR YOUR 1961 AUTOMOBILE THAN DEALERS ARE CHARGING FOR 1960 "CLOSE OUT" SPECIALS. CHECK OUR PRICES AND COMPARE!
2. ALONG WITH THIS SENSATIONALLY LOW PRICE, YOU'LL RECEIVE AN ABSOLUTE GUARANTEE OF COMPLETE AND ADEQUATE SERVICING!
3. WE WILL ACCEPT YOUR OLD CAR IN TRADE!



SEE **ALL**  
BUY }  
OF THE NEW **GEMCO'S**



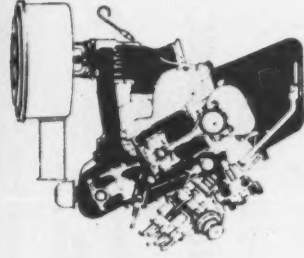
**GEMCO'S 1st**

*Annual*

**AUTO SHOW**

**NOVEMBER 11th-12th-13th**

HOURS: Friday and Saturday 10 A.M. to 10 P.M.  
Sunday 10 A.M. to 6 P.M.



SEE  
THEM  
**ALL!**

FORD

LINCOLN

LINCOLN

CONTINENTAL

CORVETTE

THUNDERBIRD

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SPECIAL

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CHEVROLETS

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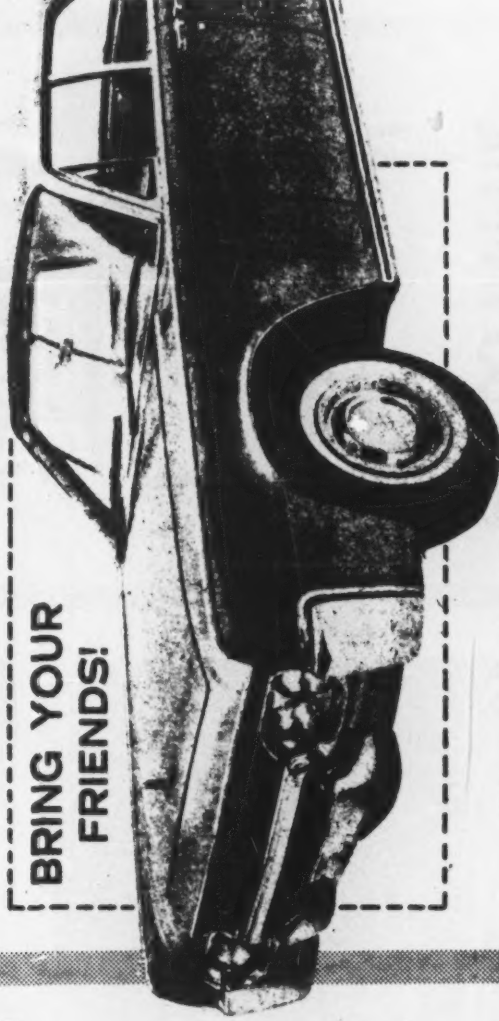
These and  
many, many  
others!!!

**Note!**

ALTHOUGH THIS IS PRIMARILY AN AUTO SHOW . . . WE'D  
LIKE TO REMIND YOU THAT GEMCO IS OFFERING EACH AND  
EVERY AUTO ON DISPLAY FOR SALE! These will be sold  
during the show and all throughout 1961!

EVERYONE IS INVITED . . .

BRING YOUR  
FRIENDS!



YES . . . SEE THEM ALL, AND HAVE THE  
EXCLUSIVE ADVANTAGE OF SELECTING YOUR '61 AT

THE LOWEST  
PRICES

**ANYWHERE!**

Seeing all the new 61's is exciting enough, but to be able to shop all the 61's for comparative prices and then, if you wish . . . SELECTING YOUR CAR FOR PURCHASING, is a complete revolution in auto merchandising! REMEMBER! You won't have to talk to anyone about prices . . . as all of the cars on display will display a card on their windshields similar to the one on the right! THIS WILL BE THE FIRST TIME THAT THIS HAS EVER BEEN DONE ANYWHERE! The prices that you'll see will be the one and only prices that Gemco will ever place on the automobiles. They will be the same: 1. If you have a trade-in or not. 2. If you wish to pay cash or take up to 36

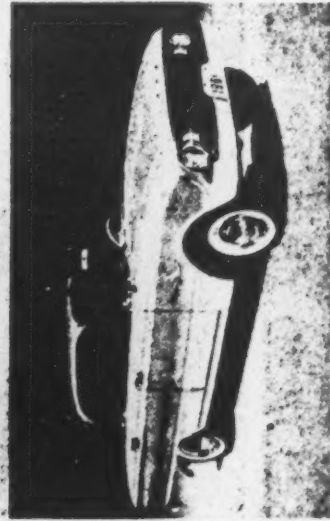
months to pay the balance. WE  
COURTEOUSLY INVITE YOU TO  
JOIN US AT GEMCO'S 1st ANNUAL  
AUTO SHOW!

**GEMCO AUTO SHOW**

MANUFACTURER'S  
LIST PRICE

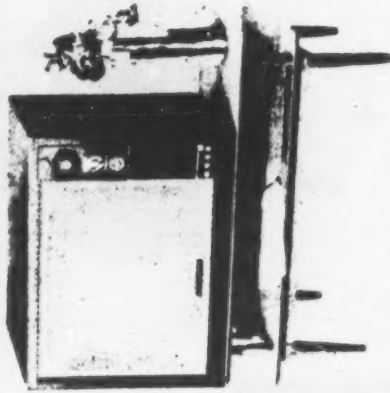
GEMCO'S LOW  
MEMBER PRICE

COMPARE PRICES  
THIS NEW . . .  
EASY WAY!



**SEE THESE AND MANY,  
MANY OTHERS . . .**

**FREE! RCA  
COLOR TV!**



**625.00 VALUE**

In appreciation of your attending this show, we are offering a 1961 RCA Color television set to some lucky Gemco Member! Plan to attend . . . it could be you! Although the public is invited to attend this show, only Gemco members will be eligible to win this wonderful prize. This brand new set will be complete with matching legs and will include a factory service warranty. This is the "Alexandre" model of the nationally advertised RCA line of quality televisions. **TO ENTER:** Just fill in the attached coupon completely and drop it in the collection box in the area of the auto show. A drawing will be held at 4:00 P.M., Sunday, November 13th to determine the winner. It is not necessary that you be present to win. The winner will be notified and his name and address will be posted in the interior of the show. Gemco employees and families are not eligible.

**BRING THIS  
COUPON . . .**

**GEMCO AUTO SHOW CONTEST**

NAME .....

ADDRESS .....

CITY ..... GEMCO CARD NO. ....

## WHY 5 1/2%?

Many people have seemed incredulous when we quote Gemco's low rate on all new automobiles. If you have shopped carefully you'll note that our low rate of 5 1/2 % for a full 36 months of financing is exceptionally low. Why is this? One reason, and perhaps the most important one is, most of the people who have purchased new cars through Gemco have proven really dependable or "desirable" credit accounts. This in turn has made these Gemco accounts more attractive to our credit sources. In effect you might say, Gemco members have "earned" this low rate. And secondly, it goes without saying that . . . if we sell more cars, we can logically request a lower rate from these same sources. This is the case at Gemco. It is a fact that hundreds of Gemco members have given the nod of approval to our new method of merchandising automobiles by purchasing a very high number of autos through this department. We take pride in the fact that we never have to "sell" automobiles. We only quote prices! MAY WE HAVE THE PLEASURE OF INTRODUCING YOU TO THIS NEW AND REVOLUTIONARY METHOD OF SELECTING THE NEW CAR OF YOUR CHOICE?



### 5 1/2% FINANCING IS AVAILABLE

(for 36 months)

EVEN LOWER RATES ON SHORT TERM CONTRACTS

WE GUARANTEE COMPLETE SERVICING ON ALL NEW CARS PURCHASED AT GEMCO!

Trade-ins accepted on any new car.

## GEMCO'S NEW CAR REPRESENTATIVES



BOB HUFF



BOB MASHING



JOHN MULLEN



RED BRYAN



BOB CHICO



BOB BELL

PLAN TO ATTEND GEMCO'S  
AUTO SHOW NOV. 11-12-13th

HOURS: Friday and Saturday 10 A.M. to 10 P.M.  
Sunday 10 A.M. to 6 P.M.



SEE ALL OF THE NEW '61's AT GEMCO  
AND HAVE THE EXCLUSIVE  
ADVANTAGE OF SELECTING YOUR  
'61 AT THE LOWEST PRICE ANYWHERE!



**FRI. - SAT. & SUNDAY**  
HOURS: FR. & SAT. 12-10, SUN. 10-4



**FREE! RCA COLOR TV**

Although the public is invited to attend his show, only Queens members will be eligible for the complimentary \$100 travel and accommodations package. The show will include a factory factory tour. The "Nimble" model of the recently introduced ECA line of quality sneakers. Anyone who buys during "Factory event

1988 1989 and enter this meeting  
number, 9009 0000, on THE WIN-  
NERS!

**YOU'RE INVITED  
TO ATTEND**

**YOU'RE INVITED  
TO ATTEND**

# **AUTO SHOW**

# 1st ANNUAL

**Compare These Examples of Low, everyday Gemco Member Prices on Nationally Advertised Merchandise!**

**Presto® 4-QUART  
PRESSURE  
COOKER**

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**SERVING**  
**NOODLES**

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Debra Coleman  
**COOLER**  
Belmont model AT 60000  
\$274.18\*\* a **7.45**  
10% a 136\*\*  
Net price 18.93

**MR. MACHINE**

Monday 12.00  
AT GEMCO  
6.88  
24" EQUAL  
1000 1000 1000 1000 1000

**PATTI PLAYPAL**  
The doll most in  
the girls' world this  
year. Advertised  
on television.

Page 1 of 1

**THE PUBLIC IS INVITED!  
NO ADMISSION CHARGE**

[illegible]

**SEE THEM ALL AND COMPARE!**

**5 1/2%**

**GENCO AUTO SHOW**  
**LAST PRICE . . . . .**  
**LOW GENCO**  
**NEWEST PRICE . . . . .**

...and many,  
many others!!

**FOLLOW THIS MAP TO GIMCO**  
Gimco is a complete 70,000 square foot membership department store that is current and operated exclusively by local residents and is dedicated to serving the residents of Orange County.

**GEMCO**  
 TWO LINDSAY AVE. • ARLINGTON

## "THE BILLBOARD" BUY . . . SELL . . . TRADE

DACHSHUND PUPPIES, standard, red, papers, A.K.C. — \$45. Phone Jackson 7-3675.

SHOTGUN 16-gauge pump (Ithaca Feather-lite; some shells, \$75. Ph. JA 7-2123). COFFEE TABLE and end tables Philippine mahogany. KE 5-2045.

OSTERIZER—Used four times. Receipt book included. \$10. TW 3-6342.

FRUGIDAIRE ELEC. RANGE for sale \$45. Tenor sax. \$100. Phone TA 8-6314.

CAMPERS ATTENTION — Travel-Queen Camper. Has everything. \$1000. Will include free 1/2-ton heavy truck in good condition. 11852 Nearing Dr. LE 9-4451.

HOUSE/TRAILER for sale. Westwood 27 ft. all metal, complete with gas range, electric refrigerator & furniture. Excellent cond. Only \$450. Mon-Fri. after 6 p.m.; Sat-Sun. anytime. Call PR 2-0497. 2351 Coronet Ave. West. Anaheim.

AMERICAN FLYER on 6 x 8 layout; many extras. For sale \$35. 30' Roll-away bed. \$10. LA 6-1712.

SMALL GIRL'S BIKE. 14". Good cond. but needs painting. \$7.50. Kenmore automatic elect. heater, excel. condition. \$10. Call LA 2-4953.

WALLACE STERLING SERVICE for LAWN & yard maintenance. All power equipment. Free estimate. Call LA 1-0846. 12. Call before 3:30 p.m. LA 2-4961.

LOST Grey wallet, at Gemco. Nov. 6. Please return to Gemco desk.

LADY'S HAND-KNIT DRESS—Rose. Size 16; Blue, size 16. Like new. \$25 ea. Dress, new, size 8/8A. \$5 pair. JE 7-6005.

RELAXICISOR. Good condition. Phone JA 7-7078.

CITROEN '57 DS-19, beautiful condit., 32,000 mi.; also Norge auto, washer 1953. \$30. PR 4-0277.

BLONDE DINING ROOM table with 3 extensions & 4 chairs. Good condition. \$40.00 or make offer. KE 3-3016.

97 PC. FUKAGAWA DINNERWARE Imported "black rose" pattern. \$48 Underwood standard typewriter. \$40 Kenmore upright vacuum & bags. \$15.

GI LOAN BAL. \$10,980 on 1 bdrm. 2 1/2 bath home for sale. Call for details. Shopping bags. P.O. chks. TW 3-9858.

GAS RANGE — Apartment size while Hardwick for sale. Cost \$25.00. Telephone JA 7-6001.

STOVE—\$25. Light yellow, clean. Phone JA 7-4759.

IMPALA Convert. 1960. Power brakes & steering. Other extras. Sacrifice. Priv. party. JE 4-2672.

BICYCLE BARGAINS—Two 26" boys' race bikes. One 24" boys' balloon tire with basket. Each \$18.50. 7861 Hopi Rd., Stanton. TW 3-8954.

CABIN CRUISER—20 ft., not quite finished, for sale. 35 h.p. new motor (Extrude), gas tank, controls, complete Trailer. Call Jackson 7-3011.

CHILD CARE—Under 2 yrs. 632 N. Geneva St., Anaheim. JA 7-9687.

1956 MOBIL HOME for sale. 35' long, 8' wide. Furnished. LE 5-3598 up to 11 a.m. and after 4 p.m.

G.I. RESALE 4 1/2% 3 bdrm. home, 2 1/2 baths, forced air heat, built-in kitchen, w. 10 w. cabinets, garages, fenced yard. Call Jackson 7-3055.

ELECTRIC AUTOETTE for sale. First class condition. Phone LA 5-3392.

## GIFT WRAPPING & X-MAS DECORATIONS

12 OUNCE CAN  
MAJIC SNOW 4 1/2 FOOT ALUMINUM  
X-MAS TREES  
In White  
Usually .98

**47¢**  
AT GEMCO

Imported Italian tree ornaments  
Deluxe hand painted ornaments  
Nativity Sets  
Tinsel Christmas light and  
Ornaments Gift Wrapping  
Ribbons  
16" and 18" Wreaths in White,  
Gold or Silver

Santa Claus Plaques  
Under Tree Blankets  
Sparkles Tree Mats  
Musical Revolving Tree Stand

**4.88**  
AT GEMCO

## BUY YOUR '61 AT GEMCO!

If you're thinking of a new car, you owe it to yourself to investigate our exceptionally low prices on any new car you wish to purchase. We can deliver the car of your choice at the store at savings of hundreds of dollars. Unbelievable? Why don't you call or drop in and let our courteous new car representative introduce you to this new method of merchandising automobiles.

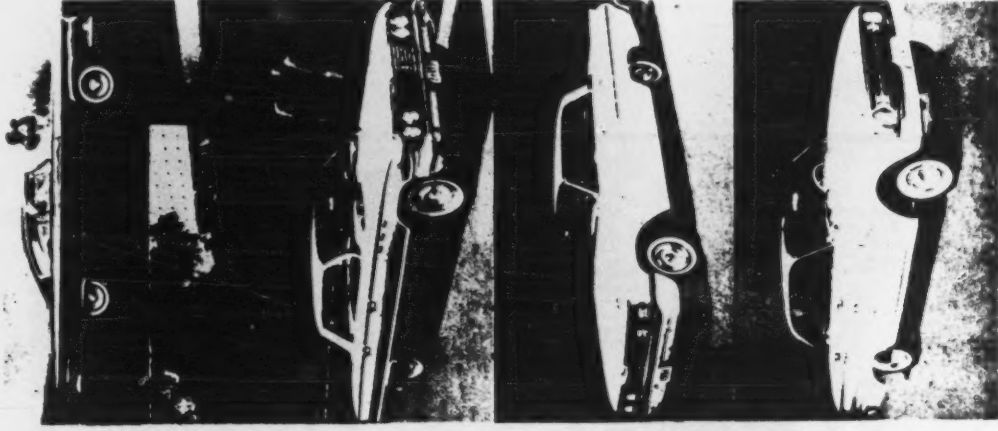
**5 1/2%  
FINANCING  
AVAILABLE  
(36 MONTHS)  
20% DOWN**

**GUARANTEED  
AFTER-SALE  
SERVICE**

**ONE SHORT PHONE CALL  
TO PE-3-3666 GETS YOU:**

1. The exact cost of the car you wish to purchase.
2. A very close estimate of what we will give you for your old car.
3. Your monthly payments.

**REMEMBER:** Your total insurance coverage may be increased by monthly payments if you wish.



## ANNIVERSARY SPECIALS FOR "Little Mothers" Too!!



### COTTON KNIT PANTIES

Usually 39¢  
With elastic waist and leg band and leg band for nursing or ideal for traveling or for your bigger girl.  
**5 pairs for 99¢**  
Anniversary Price

### BIRDSEYE DIAPERS

27 by 27 squares.  
Unit 4 is a customer.  
Usually 3.96  
**1.58**  
AT GEMCO

**YOUR CHOICE . . .**  
Usually 3.96  
**PLASTIC DIAPER PAIL 2.83**  
OR PLASTIC BATH TUB  
AT GEMCO  
Available in blue, pink, yellow, aqua, etc.

### PLASTIC PANTS

Usually 39¢  
**12¢**  
AT GEMCO  
Durable in choice of pastel colors. Put on Type.  
Unit 4 is a customer.  
Size 3-6-1-5-10.

**BOY'S KNIT BRIEFS 28¢**  
Usually 39¢  
AT GEMCO  
In size 2 to 8.

### Famous Nursery Trim PANTS and TROUSE UPS

In Mother Goose rhyme, Country motifs and numerous other patterns.  
TODDLERS  
Usually 2.96  
**1.73**  
1.97  
Unit 4 is a customer.

### INFANSEAT

Ideal for sleeping or lay-  
ing your child down.  
In choice of colors.  
Adjustable to various positions.  
Usually 6.98  
**5.97**  
AT GEMCO

## ANNIVERSARY SHOE VALUES...

### MEN'S WELLINGTON BOOTS

13.95 Elsewhere

**6.84**  
AT GEMCO

In brown only. Leather lined tops. Leather soles. Sizes 8 1/2 to 12.  
LIMITED QUANTITY



### SHU GLOVES

Delightful . . . Sprightly  
Compare this price! Available in black, white or bone. Sizes 4 to 10.  
**2.12**  
Usually 3.49



### 6" WORK SHOES

Usually 12.95  
AT GEMCO  
8 styles of 6" top bonded work shoes. Not all sizes in every style, but sizes to fit everyone. Cope with almost any job. Good construction value. All top grade soles.  
Limited quantity



### 8" LACE WORK and HUNTING BOOTS

7 different styles of 8" lace boots. Just in time for hunting and the wet weather coming up.  
Limited Quantity  
**9.44**  
Usually 16.95  
AT GEMCO



## the 1961 NEW CARS ARE NOW BEING DELIVERED!



1961

CHEVROLETS FORDS  
VOLKSWAGENS PLYMOUTHS

VALLANTS FALCONS

DODGES RAMBLERS

DE SOTOS LINCOLN

CHRYSLERS CORVAIRS MG

AUSTIN-HEALEYS PEUGEOTS

SUNBEAMS TR-J METROS

TALUSUS RENAULTS

SH/CAS FIATS HILLMANS

And all Other Domestic and Imported Cars

Imported Cars

**AND PAY 1960 CLOSE-OUT PRICES**

1. FAST DELIVERY

2. GUARANTEED SERVICE

3. WE WILL TAKE TRADE-INS

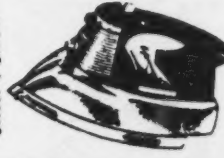
4. 5 1/2% FINANCING

(36 months . . . lower rates on short term contracts)

5. MUCH LOWER PRICES!!

Don't forget to stop in the New Car Department to check the Numbers of the Winners of the Late Model Cars that will be parked in front of the Store!!

### EXCLUSIVE NEW STEAM IRONS "Select-a-Steam"

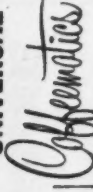


### DUAL CONTROL IRON

Press every fabric perfectly regardless of weight, thickness or color. No ironing. No more spraying. Enable you dry iron, too!



### UNIVERSAL



NEW "Flair-Flu" Flavor Selector is under handle for new convenience. Beautiful modern design in chrome ever solid copper.  
10 cup



ALL UNIVERSAL PRODUCTS ARE SOLD AT USUAL LOW PRICES!

### DELUXE AUTOMATIC CAN OPENER

Completely automatic. Operates on any size can, like lid, turns off automatically. No need to be worried.

**FREE!**

1 pound of a popular make of ground coffee will be given with the purchase of any Universal product. While supplies last. For a complete list of the free literature, write to the Universal product.

OCTOBER 14th, 15th and 16th



## SPORTING GOODS SPECIALS



### SPALDING BASEBALL GLOVE

New 6-finger model  
for right or left hand  
players.  
Usually 10.75

**3.99**  
AT GEMCO

MacGREGOR  
"Mike Souchak"

### GOLF BALLS

Enjoy the sharp click of  
a quality ball at a fraction  
of the cost!

**4.99**  
A DOZEN

## Complete CAMPING OUTFIT

### Consists of:

- 1—12 by 9 Side Room Premium construction chrome green Poplin Tent, (Complete with poles and stakes.)
- 4—3 LB. DACRON SLEEPING BAGS. Two may be zipped together to form a double.
- 4—Rubberized Canvas Air mattresses.
- 1—Large 2-burner Coleman stove No. 413E.
- 1—DOUBLE MANTLE COLEMAN LANTERN No. 220E.

WHAT A CHRISTMAS  
GIFT FOR THE WHOLE  
FAMILY! LAY-AWAY  
NOW...OR BUY ON  
CONVENIENT BUDGET  
TERMS.

149.75 ELSEWHERE  
**129.75**  
AT GEMCO  
14.95 DOWN

### KROYDON "Tommy Self" Signature GOLF CLUBS

Genuine True-Temper mallet shaft. 8 matched irons (2 to 9 inclusive), a matched Woods (1-2-3).

Usually 79.95  
**49.95**  
AT GEMCO  
2.4 sets only

### 14-CLUB COMPARTMENT

### GOLF BAG

Reinforced metal ring around top. Heavy duty vinyl material. Large "True-Temper" pocket. Comes complete with head.

Usually 14.95  
**8.99**  
AT GEMCO

### WILSON "CUSTOM" IRONS

Matched sets of 5. Johnny Revolta and Dutch Harrison models. With comfortable reminder grips.

Usually 45.00  
**22.99**  
A SET (16 Sets only)

### BROOKS

### GOLF SHOES

Sizes 6 to 12. Brown, Black, Red and White. Brown and White. Red and White. Rubber sole. All sizes in every color. Better than any other shoe. Buy 2 for \$75.00.

Usually 10.95  
**6.99** A PAIR

### "FISHERMAN'S SPECIAL"

During this event we will supply you with enough top grade monofilament line to fill one spool of any reel you purchase. Choose from 20 lb. or 25 lb. test.

## GEMCO IS NOW DELIVERING ALL MAKES OF 1961 AUTOMOBILES...

Pictured above is Mrs. Rita Patterson receiving the keys to her New 1961 Ford Falcon on Sept. 21st from Mr. John Mullen, Manager of the New Car Dept. Mrs. Patterson lives at 2317 E. Sycamore Ave., Anaheim and works at Furtado's Beauty Salon in the city of Orange. This was the first 1961 auto delivered to a Gemco member.

### 3 LB. DACRON SLEEPING BAGS

Full zipper, double air mattress protection. Two may be zipped together to form a double. Weather resistant with padded weather strip. Limited Quantity!

Usually 19.95  
**11.99**  
AT GEMCO

### BURNSWICK SEALAND

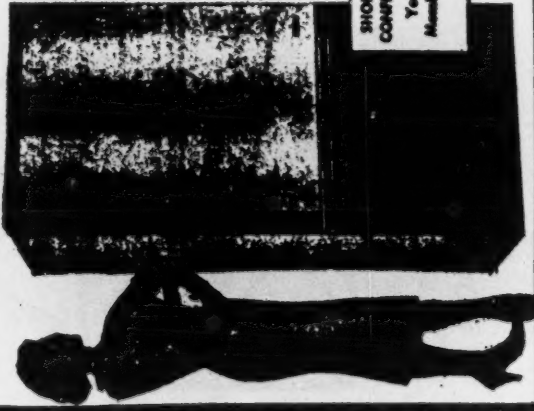
### BOWLING SHOES

In comfortable ladies or men's AT GEMCO models.

**4.50**  
PAIR

## THE NEW AMANA FREEZER PLUS REFRIGERATOR

2-in-1 Appliances are only 32" wide. Advanced style-line design... the built-in look! Exclusive freezing compartment freezes up to 2½ times faster. Refrigerator has convenient glide-out shelves. See this new advance in refrigeration design at Gemco... today!



Delivery is included at our low price. You may purchase on convenient budget terms and pay no balance in 24 months.

Always  
Sold at  
our Usual  
Low  
Gemco  
Prices...

SHOP WITH COMPLETE  
CONFIDENCE AT GEMCO!  
Your locally-owned  
Membership Department  
Store

## Fly To Glamorous Hawaii



### VIA STANDARD AIRWAYS

Famous Flak Cloud Service! This is the same airway that will transport the winning entrants in Gemco's "Free Trip to Hawaii Contest."

**79.10**

One way on a round-trip ticket

**99.00** One Way with Deluxe Accommodations

### 9-DAY TOUR

Reserved seats with choice of hot meals served aloft. You'll receive a traditional lei greeting at the airport in Hawaii! Lincolne service to and from hotel. Complete hotel accommodations. A delightful breakfast at Woody's Gemco Inn. A 110-mile scenic completely around the island of Oahu. Bring your camera for the famous Kodak Hole show.

ONLY  
**259.70**

### 5-DAY TOUR

Economy tour. Includes room, air fare, limousine service, lei greeting, etc.

**186.20**



OR Phone or Write to  
**STANDARD AIRWAYS**  
Lockheed Air Terminal, Burbank  
TR 7-9654



PIANO—Small upright "Davis & Sons, New York" make. Excellent condition. \$175.00. Lambert 5-5871.

LAWN SERVICE — Mowing, edging, cleaning-up. Gardening. Light hauling. Garages cleaned. Ph. KEYSTONE 5-2069.

EXERCYCLE — Heavy duty. \$130.00. Round dining room table. 48". Formica top, drop leaf & extension, maple legs. Practically new. \$40.00. LA 5-5871.

COCKTAIL TABLE black with light tan Nevamar top, 2 magazine shelves. Any reasonable offer or stamp books in trade. TW 3-9868.

GI LOAN Balance \$10,950; our equity \$4,250 in Westminster 3 bdrm. 2 bath home. 13632 Olympus Dr. TW 3-9868.

ROLLAWAY BED with mattress ¾ bed size, \$18 or trade. TW 3-9868.

CHARCOAL — Palette shaped cocktail table, corner tier and magazine lamp chairside tables, Nevamar tops. Cash or trade stamp books. TW 3-9868.

DRUM TABLE, hand-tooled leather top mahogany - 30" dia. Cost \$65. Xclt. cond. Sell for \$20. TW 3-9868.

MOUNTAIN LOT for sale. Scenic Dr. Crestline, Calif. \$1200. Good terms or trade for lot or other property in Anaheim. Will assume some difference. Call KE 5-6367.

WURLITZER PIANO, full keyboard, new 1956 Mercury Montclair conv., new top, tires & uphol. Call KI 5-4167.

TRAIN—4' x 8' complete layout includes 2 trains & transformers, scenery control, block system. Sacrifice. LE 9-0931. 1959 VW. Radio, heater. Excel. condit. One owner. \$1495 rock bottom. Phone Taylor 8-4208.

1959 GO-KART, twin power products engines, safety belt and racing slicks. \$125.00. Call KE 5-1502 or see at 2627 E. La Palma, Anaheim.

EASY BAR trailer hitch. Best offer. Sold new \$150.00. Ph. KE 5-1502.

PACKARD BELL 24" Table model with maple cabinet. Call JA 7-7474.

WILL TRADE — 15' house trailer for camper for 1959 short wide bed pickup. Phone KE 3-1036.

FREE DIRT Bird cage. 75c. 2670 Serrano Pl., Anaheim. TA 8-2100.

1956 WHIRLPOOL Auto. Washer for sale, \$45. Good cond. Call PR 4-3074 or 1775 Crone Ave., Anaheim.

ACCORDION—Castle 120-bass for sale. Real nice - with case, \$100. White baby crib & mattress, \$10. Stroller also. — Make offer. JA 7-7915.

BOODLE BUGGY—Makes car bed, \$15. Welch playmate, \$4.50. O'Keefe and Merritt stove, \$95. Lawrence 1-2691.

GIRL'S BIKE 20" for sale. Good condit. \$25.00. 951 N. Alamo St., Anaheim. Ph. KE 5-4681.

1958 MOBILE HOME for sale. 10' wide, 45' long, bedrm. & den, carpeted. On beautiful lot, in modern park. Phone Taylor 8-6354.

MONEY—I want to buy any old coins. Call PR 4-9526.

BUYING AN ACCORDION? Look this one over *first!* Italian black 120-bass. Real good buy. Phone Anaheim TA 8-2459.

PICKUP RACK for Chevrolet or Ford. Welded heavy pipe - \$25.00. Baby buggy makes a car bed, good cond. \$10. Call LA 2-6238.

RIFLE—30. 06 Army Springfield, good cond. \$39.50. Call 4:30 to 8:30 p.m. only. LA 2-5692.

FOR RENT—Large Arrowhead apartmt. Room for 3. Reasonable. LA 1-2517. ELECTR. HAND SAW Black & Decker 9-inch blade for \$75. Cost \$149.50. Ph. evenings PR 2-8045.

HIGH CHAIR \$3. Training chair \$1. Car seat \$3. Bunk ladder 75c. Blow torch \$8.75. 26-leaf Starrett Thickness gage \$4. — Phone PR 2-1549.

THOR "automagic" GLADIRONER for sale. Used very little. Like new. \$15.00. Jackson 7-1909.

GOLDEN BAMBOO—Beautiful in tubs and planters, or use a screen plantings. 8 feet high. Price \$4.00 per can. Phone Prospect 4-4349.

AUSTIN-HEALEY 100 — 1954. Clean roadster with overdrive and heater. A black bomb with wire wheels. \$950. Phone Prospect 4-4349.

Be sure and submit your ad for next months issue.

PUBLIC INVITED — Sixth National Health Convention, Dec. 31st, 1960, January 1 & 2, Embassy Auditorium, Grand and 9th St., Los Angeles, 9 a.m. daily. Round-table discussions, motion pictures on chemotherapy, polio, nutrition, organic gardening, natural child birth, etc.

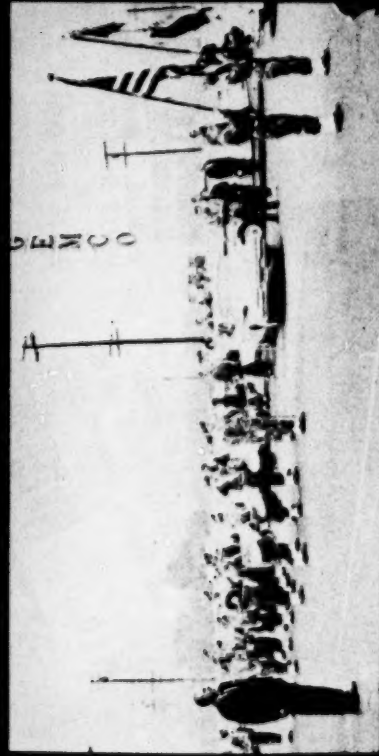


Choose The One That Suits You Best ...

ALL NEW  
1961's  
ALL MAKES-  
ALL MODELS

How much will you save?  
We'll show you actual costs so you can see how many hundreds of dollars you're really saving. Our 5 1/2 % financing will assure you the lowest possible payments! Shop... compare and save with Gemco's low, low prices!

YOUR TRADE IN  
WILL BE ACCEPTED  
ALL NEW CARS ARE BACKED UP  
BY FACTORY GUARANTEES AND  
SERVICE.



### UNITED FUND RECEIVED CHECK IN DECEMBER

Mr. R. B. Powell, a member of the Anaheim United Fund Committee, smilingly accepts checks from Mrs. Alice Kentner, representing the employees of Gemco, and Mr. Pat Arnold, Chairman of Gemco's Charitable and Scholarship Advisory Board. Looking on approvingly is Mr. Frank Grand, General Manager of Gemco

### FIREWORKS TO BUGLES...

Boy Scout Troop 72's Drum and Bugle Corps was made possible by your generous patronage of the Troop's Fireworks stand on the Gemco Parking lot last July. Manager Bob Fitch said that the Troop realized \$1800.00 profit from the operation of the stand. Out of this money, the Troop purchased 18 bugles, 1 Bell Line, 11 Tents and 7 Ice Chests. The boys are really improving on their instruments and we hope to have occasion to hear them play again.

*Say!*  
**Decorators**  
**ELECTRIC WATERFALLS**

# Exotic WATERFALLS

YOU'VE SEEN THEM  
IN THE NEWS-  
PAPERS, MAGAZINES  
& ON TV... NOW  
EVERYONE CAN  
AFFORD THEM

THE MARKET IN TEARS!  
ARE THE NEWEST, MOST EXCITING  
PATIO ACCESSORY TO BE PUT ON  
AS USUAL, CAL IS THE  
LEADER IN SECTION.  
QUALITY & LOW PRICES!

**YOUR  
CHOICE OF COLORS  
IN 3 or 4 BOWL  
UNITS**

★ Shells  
★ Glass Balls  
★ Artificial  
★ Flowers  
★ AVAILABLE AT  
Cal's Gift Shop...

**CREDIT OF COURSE**



Model Shown... 18"-24"-30"-36" Bowl Diameter  
Best Proof Fiberglass



RELAXING, BEAUTIFUL ATMOSPHERE  
FOR LANA, GARDEN, OR POOLSIDE.



STRIKING DECOR FOR OFFICES,  
BANKS, HOSPITALS, AND Foyers.



BESTFUL AND DRAMATIC ACCENT  
FOR THE ENTRANCE TO YOUR HOME.

## Do Nothing 'till You Hear from CAL!

IN THE APRIL 1st ISSUE, CAL WILL INTRODUCE THE MOST EXCITING LINE  
OF PATIO FURNITURE IN YEARS!



**Compare! Save!**  
**BUY YOUR - 1960 CAR AT CAL!**

Your choice of equipment AS YOU WANT IT!  
Custom select your interior and exterior... CHOICE OF COLOR from  
our Color Chart... American made cars and most Foreign  
imports... Low financing... Trade-ins accepted... ★ CREDIT ★ SERVICE ★ SAVINGS



**FACTORY  
GUARANTEE  
AND  
WARRANTY**



Edm. C. Simpson-110181



ANY MAKE ANY  
MODEL YOU WANT

Service  
Available  
at Your  
Closest Dealer

INSURANCE DEPT.

A complete insurance service at your  
CALSTORE... Automobile, Home, Life,  
Health and Accident, and Casualty...  
Major Insurance Companies represented...  
Claims handled immediately.



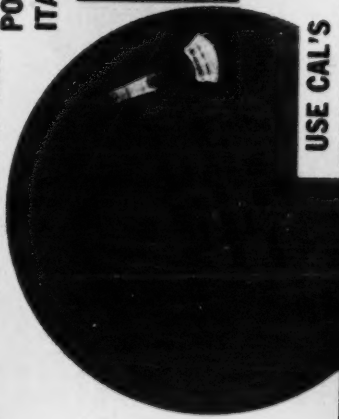




QUALITY

YOU CAN TASTE AND TRUST!

FRANCE...Bordeaux 5th 79¢ DENMARK...Fruit Wines 5th 169  
 SPAIN... Red & White 5th 99¢ CHILE... Dinner Wines 5th 99¢  
 GERMANY...Liebfraumilch 5th 89¢ ISRAEL... Concord Grape 5th 169  
 PORTUGAL... Rose 5th 124 JAPAN... Sake 5th 48¢  
 ITALY... Chianti 6th 79¢ UNITED STATES... Dinner Wines 6th 49¢



USE CAL'S  
 CREDIT PLAN  
 BUY NOW...  
 PAY LATER!

Would You Like A Cocktail  
 Before Dinner Tonight?  
 SHORT! SIMPLE! ALL YOU NEED  
 IS ICE GLASSES AND CAL'S  
 READY-MIXED COCKTAILS  
 DRY MARTINI 2 69  
 MANHATTAN 2 69  
 Cheri... 19¢ Other... 19¢

**C. J. EDWARDS**  
 SOUR MASH...CHARCOAL FILTERED  
 FAMOUS  
 KENTUCKY WHISKEY  
 90 PROOF SINCE 1879



C. J. Edwards is A Fine  
 Kentucky Straight Bourbon  
 Whiskey distilled the old-  
 fashioned way from choicest  
 grain. It is aged in char-  
 coal filtered deep well water  
 stored in new oak barrels  
 oak barrels and allowed to  
 age until matured.

3 96 4 78 9 49  
 5th Qt. 1/2 Gal.



Compare!  
 Save!



ANY MAKE ANY  
 MODEL YOU WANT

AT CAL'S

New Car Dept...

Pick up your new car at CAL... Your choice of equipment  
 as you want it... Custom select your interior and exterior...  
 CHOICE OF COLOR from our Color Chart... American made  
 cars  
 Trade-ins accepted... Low Financing...

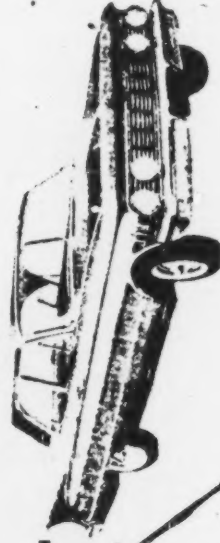
Factory Guarantee And Warranty

SERVICE AVAILABLE AT YOUR  
 NEAREST DEALER!

# NEW 1961 CARS - Year End Prices

You've Never Had It So Good . . .

FORD • RAMBLER  
SIMCA • RENAULT  
DODGE • VW  
FEST TEMPEST • PLYMOUTH  
DE SOTO • LINCOLN  
CHRYSLER • CHEVROLET  
FALCON • CORVAIR  
VALIANT • ANY CAR  
YOU WANT!



Brand New  
1961 Comet

Make your own choice of all the new models soon to be on the market and then come to your CMA to see for yourself that honesty is STILL in the automobile business. What's more, we'll take your old car in trade!

Low Financing ★ Factory Warrantee ★ Delivered Here!



Complete Camera Dept.

**BEADED SCREENS**  
"Daylight Flyers" Brand  
SIZE REG. CMA  
30x40 14.95 8.88  
40x40 16.95 10.88  
50x50 21.95 12.88

**35mm Slide Magazine**  
Holds 2x2 slides  
Reg. Val. 2.25 CMA 1.49

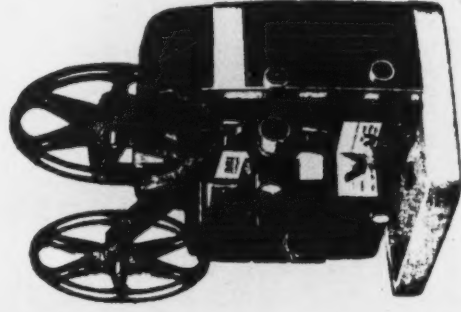
**35mm Slide Trays**  
Universal  
Reg. Val. 49c CMA 39c

**35mm VIEWER**  
2x2 slide viewer  
(less batteries)  
Reg. Val. 7.95 CMA 3.99

**VISTAR**  
35mm VIEWER  
Less Batteries  
Reg. Val. 9.95 CMA 6.99

**Elevated Tripod**  
complete with case  
17.95 Standard  
CMA 10.39  
22.95 Heavy Duty.  
CMA 13.95

**Electric 8mm Editor**  
Mansfield viewer editor  
Reg. Val. 34.50 CMA 16.98



MODEL 363

New 8MM Projector

MADE BY FAMOUS BELL & HOWELL

Brightest Bmm movie projector. Automatic threading, cord reel.

**104<sup>95</sup>**

**Kodak 8mm Movie Kit**  
complete with projector, Brownie camera, reel and con.  
Reg. Val. 78.25 CMA 59.69

**Kodak 8mm Projector**  
complete with case  
Reg. Val. 59.95 CMA 36.88

**Kodak Movie Kit**  
movie camera with 2-lit bar and bulbs  
Reg. Val. 39.95 CMA 29.99

**Amplex No. 5 Flash Bulbs**  
12-bulb pack  
Reg. Val. 80 CMA 98c

**4-Lite Bar**  
With Case  
Smith-Victor, metal case and bulbs  
Reg. Val. 19.95 CMA 9.88

**Anso Film Pak**  
Black and White  
120 - 127 - 620  
Reg. Val. 1.39 CMA 79c

**Sunset Gadget Bag**  
fits all cameras  
4.95  
Small CMA 2.47  
Large CMA 3.47

One day finishing of your color or black-white

## 1961 New Car Report

(Continued from Page 7)

Fords and Mercurys will do away with the sloping front end design and go back to the more conventional, upright front end. Mercury is going to add a six-cylinder engine model and do away with their Park Lane.

Thunderbird is finally going to do away with the sloping front wind-shield and round off their design somewhat front and rear. Lincoln Continental will adopt the pre-war look of a short, boxy appearance.

Chrysler and Imperial, vying for the "carriage trade," they deserve, will be even longer and more luxurious than ever.

Cadillac will be a little shorter in '61 so as not to drag on so many driveways.

Of interest at this time is the news that the U. S. compacts have made on the imported car field of course the imports are cutting off their own water by offering so many makes and styles that customers get dizzy. CMA expects these small foreign sedans to gradually lose popularity in the race with the U. S. cars and themselves.

A notable exception to the rule will be and has been the venerable Volkswagen. CMA members can expect to see long lines still waiting for VW's at the dealers . . . and can save considerable time, and sums of money by purchasing their VW's through CMA's New Car Dept. Here on this amazing fact at a later date. Suffice it to say that if you are in the market for a New Volkswagen, it is the Boulder VW or a Chrysler or Cadillac, members can get their New Car through CMA. In fact it is on very low and sensible prices. Some foreign CMA and get the best service, warranties, naturally.

When you come into your new CMA, and see the daring line-up of it all, new cars at the lowest prices, you'll see the brilliant new design and adjacent to Men's and Women's apparel, toys and many more, you begin to get the story that this is no haphazard effect. It is a well planned merchandising business that has put the MEMBER, its customer in the spotlight. Never before has the customer been offered so much for so little under one roof!

The management of the New Car Dept. with that of CMA knows full well that if you, the members are not pleased, that our business cannot succeed. That is why we "bend over backwards," so to speak, in order that members may have an exciting place to shop, with everything possible offered.

You must save . . . or else! Since savings are the order of the day, let us call attention to our New Car Dept and inform you that nowhere in Southern California will you be able to honor so much and get such a honest trade on a brand new 1961 car as is possible for members of CMA. Year-End prices will prevail ALL year. A year CMA and we urge you to go to the other dealers and get their story straight. Don't forget to come back to your CMA folks, because the price and the SAVINGS are all in your favor. Courtesy of CMA!

# AUTOMOBILE GOSSIP



Report from Germany states that a vehicle called the Amphicar, described as 85% automobile and 15% boat will appear on the American market in the very near future. What next, flying automobiles . . . ?

Ford Motor Company has already outbuilt the "big Ford" with the Falcon, and Valiant is now slightly ahead on production over its brother Plymouth . . . compact cars seem to be exactly what the automobile conscious American public wanted!

COMPACT SPECIFICATIONS: Here's how they compare . . .

	Wheelbase	Length	Enginepower	Weight	Factory Suggested List Price F.O.B.	2-Door Sedan	4-Door Sedan
Comet	114	194.9	90	2,412	\$1,998	\$2,053	
Falcon	109.5	181.2	90	2,288	1,912	1,974	
Corvair	108	180	80	2,375	1,984	2,038	
Lark 6	108.5	175	90	2,605	1,976	2,046	
Rambler American Deluxe	100	178.3	90	2,469	1,795	1,844	
Rambler 6 Deluxe	108	189.5	127	2,948	—	2,098	
Valiant V-100	106.5	183.7	101	2,635	—	2,053	
					2-Door Wagon	4-Door Wagon	
Comet	109.5	191.8	90	2,661	\$2,310	\$2,364	
Falcon	109.5	189	90	2,633	2,225	2,287	
Lark 6	113	184.5	90	2,805	2,366	2,441	
Rambler American Deluxe	100	178.3	90	2,490	2,020	—	
Rambler 6 Deluxe	108	189.5	127	3,055	—	2,477	
Valiant V-100	106.5	183.7	101	2,881	—	2,365	

The prices listed above are LIST prices for factory delivery. FREIGHT IS ADDITIONAL. We have co-operating dealers who handle the above mentioned compact cars at a SAVINGS. Be sure to obtain a referral at any of the FEDCO stores so that you or your guest may take advantage of the savings available. Remember that you may trade-in your present car if you so choose . . . the discount is not affected by whether or not you trade-in a car. In order to purchase a car it is necessary for you or your guest to apply in person for the referral, as we are not able to process mail or telephone requests. Factory delivery is available at additional savings.

## THE FOLLOWING MAKES OF CARS ARE AVAILABLE ON REFERRAL TO OUR APPROVED DEALERS:

COMPACT CARS				OTHER DOMESTIC CARS				IMPORTED CARS			
AMERICAN				BUICK	IMPERIAL	BMW ISETTA		BMW ISETTA	PRINZ		
COMET				CHEVROLET	LINCOLN	BORGWARD		BORGWARD	RENAULT		
CORVAIR				CHRYSLER	MERCURY	DAIMLER		DAIMLER	SIMCA		
FALCON				CONTINENTAL	OLDSMOBILE	ENGLISH FORD		ENGLISH FORD	SINGER		
LARK				CORVETTE	PLYMOUTH	HILLMAN		HILLMAN	SUNBEAM ALPINE		
RAMBLER				DART	PONTIAC	HUMBER		HUMBER	TOYOPET		
VALIANT				DE SOTO	RAMBLER	METROPOLITAN		METROPOLITAN	TRIUMPH		
				DOODGE	STUDEBAKER	OPEL		OPEL	VAUXHALL		
				FORD	THUNDERBIRD	PEUGEOT		PEUGEOT	VOLVO		

(ALSO LATE MODEL USED CARS)

# AUTO VERSUS TRAIN

By  
Supervising Inspector  
RUSSELL E. FUSON  
California Highway Patrol



One of the most tragic accidents encountered by Officers of this Department are those in which a motor vehicle is struck by a train. In most instances, the results are fatal to the occupants of the vehicle and on occasion, results in derailment of the train if the accident involves a large bus or truck.

During the first three months of this year, forty persons were killed in California in this type of collision. Most of these occurred at wig-wag controlled crossings and would have been avoided if the drivers had obeyed the provisions of the Vehicle Code relating to this type of crossing. Basically, the law provides that whenever a signal device is operating at a crossing, the motorist must stop within 50 feet but no closer than 10 feet to the crossing. The driver may then proceed if he can do so safely. Unfortunately, many drivers ignore the signals altogether and attempt to speed across the intersection ahead of the oncoming train. The loser in this race is inevitably killed or injured and in winning, can only hope for a few minutes of time saved in reaching his destination. This, at best, is very poor odds. Obedience to the law and good judgment would seem to pay off in large dividends and all motorists are urged to follow these simple rules and thereby effect a reduction in railroad crossing accidents.


• • • • •  
**Today I WILL Drive Safely**



FEDCO REPORTER • JULY, 1960

23

ORANGE 8-4782  
EASTVIEW 8-2188



**LEONARDS**  
A FULL SERVICE  
AUTOMOBILE DEALER

**AAA AUTO SALES**

STEVIE MARKOSKI  
600 N. SEPULVEDA BLVD.  
PACIFIC PALISADES, CALIF.  
91368  
New Car Dept.

**LEONARDS**  
600 N. Sepulveda Blvd.  
Pacific Palisades, Calif.  
91368  
New Car Department

Get Your Financing Here

Call For Appointments  
800 N. Sepulveda Blvd.  
Pacific Palisades, Calif.  
91368

International • Airport Village • Crossway • Inglewood • Pico • Westwood



MAIN STORE  
International

600 N. Sepulveda Blvd.  
Pacific Palisades, Calif.  
91368  
800 N. Sepulveda Blvd.  
Pacific Palisades, Calif.  
91368

Dear Sir:

The ability to buy New Cars, all Makes and Models, at huge discounts just over Factory Invoice is yours through Leonards New Car Department, 600 N. Sepulveda Blvd., El Segundo. I am very happy to announce that I am now with the Automobile Department at this leading Discount Firm.

Our Policy is:

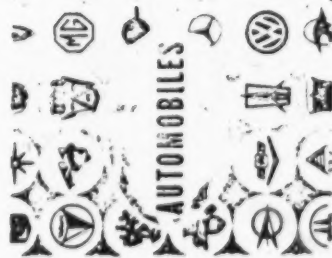
1. Honest "One Price" Dealing
2. Your choice make, model and equipment
3. Lowest Bank Interest Rates
4. Full Factory Warranty
5. Low Insurance Rates
6. Trades O.K.
7. Local or Eastern Delivery
8. Complete Dealers Service
9. Over 2,000 Cars for Immediate Delivery

Know exactly what you want and what you would pay anywhere else, then see me for a pleasant money saving purchase.

Sincerely yours,

*Steve*





DIAMOND 7-0202



J. M. ARNOFF  
NEW CAR DEPARTMENT  
9341 CANOGA AVENUE  
CANOGA PARK, CALIFORNIA

ROBERT HUFF  
SALES REPRESENTATIVE



ENJOY THE BENEFITS OF GROUP PURCHASING!

• SINGLE PURCHASES WELCOME •  
SIMPLY PHONE IN YOUR SELECTION  
Call Administrator 2-0226

**FLEET SALES COMPANY**  
GROUP PURCHASING SERVICE — LOS ANGELES

All Makes • Cash or Terms • Trade-ins O.K.

*First Sales*

### NO HAGGLING OR TRICKY GIMMICKS

Our new, dependable "Controlled Price" method of buying ANY NEW CAR is available to your friends without obligation.

Because we contract for all new cars in large quantities, we are able to arrange prices as close to wholesale as is possible at any time.

ALL INQUIRIES INVITED!

VIRGIL DUNN and JIM FAHY

[fol. 1879] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AP

DEALERS DIVERSIFIED SERVICES, INC.  
Advertising Consultants  
3912 West Slauson Avenue  
Los Angeles 43, California  
AXminster 9-0796

Instructions

Please have the letter below copied on your Dealership's letterhead (an original and three copies), and have it signed by the Owner or an Officer of your company, and submit it to this office immediately. If you handle more than one make of car, please include amount of gross profit on each make of car. If the gross profit is on a sliding scale, with more profit on some models than on others, please so state.

(Date)

Dealers Diversified Services, Inc.  
Advertising Consultants  
3912 West Slauson Avenue  
Los Angeles 43, California

To Whom It May Concern:

We hereby agree to sell our 1961 (make of car) at \$—— over actual invoice. We guarantee that a customer referred by you will in no case be charged more than the above price. If a raise in gross profit becomes necessary, we shall so advise your office in writing.

All accessories and options will be sold at invoice, and extra services at time of delivery at our cost. Our price includes all pre-delivery service and regular new car warranty, the salesman's commission, and a \$50.00 fee payable to your office. All trades will be taken into our inventory at cash value.

The \$50.00 fee will be paid to Dealers Diversified Services, Inc. for each new or used car sold and delivered at (name of Dealership) by referral from Dealers Diversified



Services, Inc., and will be paid upon receipt of your billing.

We understand that our prices will be treated by you in the strictest confidence, and will not be advertised or circulated. (Name of salesman) will be the salesman designated to handle your account. We agree that he will send two (2) exact copies of each purchase order to your office at time of delivery of new car, noting amount of over-allowance on trade, if such form of discount is used.

[fol. 1880] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AQ

CHEVROLET—CENTRAL OFFICE  
Division of General Motors Corporation  
General Motors Building  
Detroit 2, Michigan

Chevrolet  
(trade mark)

November 23, 1960.

Mr. J. H. Connell  
Miller Chevrolet Company  
1000 West Coast Highway  
Newport Beach, California

Dear John:

May I acknowledge your personal letter of November 11th to Mr. Staley, which he immediately turned over to me as we were in the process and still are of thoroughly investigating the increased activity of discount houses on the Pacific Coast, and particularly in the general Los Angeles area.

You can rest assured that we, too, are disturbed by this situation, as are the management of General Motors Corporation, and as soon as the current investigation is completed all the facts will be reviewed very carefully to determine what position we will be able to take on this important subject.

I was glad to learn some time ago that you are now the operator at Newport Beach and, certainly, I want to wish you every success.

Yours very truly, L. N. Mays, Assistant General  
Sales Manager.

LNM/ec

[fol. 1881] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AR

Mr. K. E. Staley, Chevrolet  
Detroit, Mich.

December 2, 1960.

Dear Mr. Staley:

For publication, what is your policy on the matter outlined in the attached copy of the letter?

Sincerely, Frank Green.

[fol. 1882]

AUTO DEALER BUSINESS LETTER

The "Green Sheet," now in its third year, published every week for all motor car dealers in Los Angeles and Orange Counties, the world's greatest automotive market. Subscription \$5 a month quarterly; \$50 a year annually. Frank Green, publisher.

P.O. Box 664, Balboa, California. Phone ORiole 3-8068.

December 2, 1960.

The dealer has blood in his eye about the discount house, finally after watching everybody fumble around about it, and there is a groundswell running that will do it in.

The fight is over whether or not in the future all new cars will be sold by department stores, and whether or not the dealer will maintain his investment in service facilities, where somebody else snags the sales from him.

The stuff hit the fan finally, because too many discount houses came in. The dealers see it as a national trend. And before everybody goes down the tubes, they are going to find out who stands where.

A campaign is being put on by the Motor Car Dealers Association of Orange County, of which Dick Heffern is the Secretary, and the membership of the group includes enough livewires that it will get a good going over, and of course it is the live wire that's got it in the end.

They were stung into action, you might say, to sting the factories into action. They turned to this as the last resort, because one day a salesman lost a deal to a discount house, and he asked his dealer what was being done about the discount house.

The review of the matter was not too complimentary, and the salesman threw up his hands and quit his job and went into another line of business altogether. Here is what he found out had been done:

A law was passed that would give the Department of Motor Vehicles a weapon with which the discount houses could be killed. The law was hastily drawn, pushed through against advice of counsel, worded in a way that made it bend in the middle.

The DMV then took this law out on the hunt, looking for a discount house to do in. The discount house was brought into court and made a shambles of the whole thing. The law has been called unconstitutional, among other things, and the discount houses have been found to be legal.

The Orange County guys were faced with seven discount houses, nestled in among seventy-seven dealers. One Chevrolet dealer in Los Angeles sent one of the discount houses thirty Chevrolets in one month.

The discount houses did things like put on an auto show, attracted thousands to see "all lines" had hundreds of inquiries, and dozens of sales. A salesman looking at this would naturally get his Irish up.

The dealers had their factory men out, some of them went to the show, others shopped the discount houses, it was a matter of getting the factory man to understand and believe what was going on, and what it was doing to seventy-seven cash customers of theirs.

[fol. 1883] The next thing that happened, the dealers had all their salesmen sit down and write to the president of their company, and ask him what he was doing about the dealers who sold to the discount houses.

Some factories got it back by long distance telephone right now, some have looked out the window, N. L. McLaughlin, the manager of the Long Beach Dealers Association had the assistant public relations director of Ford Motor Company fly out here from Detroit to talk about the Ford quality dealer program, and to add the information that they had already cut off the supply from one dealer who had been furnishing the main volume of cars to the discount houses. They could do this forthwith because Ford had a financial interest in the firm.

Other factory men drove out to talk to the salesmen, to explain the factory interest in the problem, promise some



remedy would be forthcoming as soon as it is possible to produce it.

At least one factory man bitched at the dealers for going over his head to the big boss. He found they are hepped up on the idea that the factory can stop it if the factory wants to.

One of the Rambler men told his factory man that he would buy that extra five thousand dollars in spare parts, and the display rack, and the batch of accessories that was being urged on him, if the factory would push a similar batch on the discount house down the street.

A Studebaker man told his factory man that he considers himself a used car dealer, and that selling new cars is a sideline, in which he engages when there is a profit in it, and if there is no profit in it, then the new cars will just sit there until there IS a profit in it.

The idea captures the imagination of every dealer who hears of it. One old-timer recommended that they go a step farther, and follow up to the president of the manufacturing firm, a month later, and tell him that thirty days have now gone by since the first letter, and what has he done about cutting off the supply?

What a lot of dealers hope will happen, is that the factory man will go to the guy who is supplying the cars to the discount houses, and Sell him on the idea that what he is doing is not so good. They quote instances where the factory men had the urge to be persuasive with a dealer over some other matter, and it turned out that the factory men can be Very persuasive when they put their mind to it.

One part of the Orange County struggle involved hiring the lawyer who has the reputation for being the best legal brains in automotive matters in Southern California. He has compiled a file two inches thick on the matter, and he then gives the off-the-cuff opinion that fourteen states have tried to outlaw discount houses, and they all fourteen ended up talking to themselves.

Another part of it brought out that the discount houses are becoming more and more national in scope, with lawyers who draw down fifty thousand a year just to take care of problems that are brought up by the surrounding merchants, and land in court.

And one final note, that might give an insight into which

way the wind is blowing on the factory attitude toward dealers who supply the discount houses: The letters that came back from the Ford factory to the salesmen, acknowledging the complaint, were signed by the president himself, and promised that everything would be done to correct it, as soon as it was possible.

One dealer in Long Beach told the customer to take his car back to the discount house for service. The customer did that, then came back, paid for the service he needed, and turned around and sued the dealer for the amount.

There was the distinct feeling here that the legal beagle at the discount house contentedly feels that the dealer's service department is available to discount house customers, and if you don't believe it, just try something.

[fol. 1884] In the San Fernando Valley, where seldom is heard a discouraging word, a big discount house went in in Canoga Park, and Dick Stewart wrote a letter on his Pioneer Oldsmobile stationery to the Director of the Department of Motor Vehicles, in Sacramento, which said:

"The J. M. Arnoff Company, 8341 Canoga Avenue, Canoga Park, California, ran an ad in the Los Angeles Times November 24, 1960, offering in their 'new car department, all makes, all models, complete factory warranty and service. Big discounts and trade-ins accepted at top market value.'

"This clearly is an offering to sell new cars by a company which does not have a franchise for all makes or the parts and service facilities to function as a new car dealer.

"The legitimate auto dealers represent a tremendous investment in this state. They employ thousands of people, carry a large tax burden and sincerely contribute to solving the transportation problem of our millions of people through licensed sales and maintaining proper service departments to keep the cars rolling. They render a genuine service to the community.

"We pay our licenses, our bonds, our taxes, our permits to operate, therefore we must ask for protection from those who clearly do not conform to the requirements of being a dealer.

"Therefore we feel that our state, county and city must be made a safe place in which legitimate business can prosper and the vital transportation needs of the public be served properly.

"We do hereby respectfully request that your office:

1. Take immediate and continuing action to stop this and all other operations of this type.

2. Conduct an investigation of all leasing companies operating in Los Angeles and when it is found that they are engaged in the business of selling new or used cars as well as leasing, that action be taken to stop them from operating as a new or used car dealer.

3. Counsel with newspapers and secure their cooperation in refusing to run ads offering new and used cars for sale except from a properly licensed dealer or an individual.

"We feel that this requested action is urgent and necessary for the protection of all automobile dealers and in the interests of the motoring public."

The same day, Dick distributed to a number of other dealers a letter which read: "Dear Dealer: The enclosed letter, with copies of the ad, was sent to the following offices: State of California, Department of Motor Vehicles, 3500 South Hope Street, Los Angeles, Calif.; Walter L. Peterson, City Clerk, City Hall, Los Angeles, Calif.; Mayor Norris Poulson, City Hall, Los Angeles, Calif.; Governor Pat Brown, State of California, Sacramento, Calif.; Police Commissioner, City of Los Angeles, 150 N. Los Angeles St., Los Angeles, Calif.; District Attorney, Los Angeles County, 211 Temple Street, Los Angeles, Calif.; Board of Supervisors, Los Angeles County, 211 Temple Street, Los Angeles, Calif.; Director, Department of Motor Vehicles, State of California, Sacramento, Calif.

"If you feel that the cause is right, to try and protect your business, won't you write a letter expressing your views and mail to some or all of the above offices or other offices that may help. Will you contact several other dealers in your community and urge them to write letters also.

"A group effort could produce results."

Dick Stewart has been in the automobile business in the San Fernando Valley for twenty-five years or so. His Pioneer Olds place is in North Hollywood, 4610 Lankershim Boulevard, Stanley 7-8115.

[fol. 1885] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AS

December 15, 1960.

Mr. Frank Green, Publisher  
Auto Dealer Business Letter  
P. O. Box 664  
Balboa, California

Dear Mr. Green:

Recently, you wrote the executives of the Divisions of General Motors at their Central Offices in Michigan as well as to some of the Zone Managers in Los Angeles. Your letter to these individuals attached a copy of the "Auto Dealer Business Letter" issued on December 2 and requested "For publication, what is your policy on the matter outlined in the attached copy of the Letter?"

For your information, the activities of membership discount outlets in Orange County, California, were brought to the attention of the managements of the General Motors Corporation as well as to its Divisions, by General Motors dealers and their retail organizations located in the area. In addition, we have been kept informed of these activities by the local field organizations of General Motors.

This is a matter of deep concern to us in General Motors as well as to our Divisions. We are in the process of reviewing this matter with the individual General Motors dealers in the Los Angeles and Orange County areas.

The position and attitude of General Motors toward such activities has been conveyed to the individual dealers who have expressed their concern to us, and in addition [fol. 1886] the local wholesale organizations of each of our Divisions will discuss this situation in detail with the individual dealers.

Over a long period of years, the position of General Motors has been unchanging as to practices which have crept into the business from time to time, that represent

a threat to the fundamental structure of our system of distribution. We will continue our efforts to protect the good will of our products by every available legal means.

Will you please regard this letter as reply to each of the letters that you have addressed to executives of our Car Divisions, whether located at their Central Offices or in Los Angeles.

Very truly yours, J. M. Roche, Vice President.

bk

[fol. 1887] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AV

GENERAL MOTORS CORPORATION  
Detroit 2, Michigan

December 28, 1960.

General Sales Managers

U.S. Car Divisions

You are familiar with the increasing activity on the part of membership discount houses operating new car sales departments. This condition has prompted certain Southern California dealers and their retail salesmen to send letters and telegrams to Mr. Gordon and to Divisional executives expressing their deep concern over this latest development which is having a direct effect on the normal retail sales of new cars. We have sent you copies of correspondence we received in this connection along with copies of replies that were made to your dealers.

This matter was reviewed at the meeting of the Distribution Group on December 21, 1960, and it was felt that a letter containing similar information should be sent to all dealers over the signature of the General Sales Managers of the Car Divisions. We are attaching a copy of a suggested letter which the Divisions may use in connection with this matter. The suggested letter has been developed for the Chevrolet Division, but of course can be readily adapted for use by the other Divisions.

We would like to suggest that this letter be dated and sent out to each of your dealers on December 30, 1960, so that letters from all Divisions will arrive at approximately the same time on January 3, 1961. Will you kindly send us five copies of the letter which you send to your dealers.

J. M. Roche.

g

Attach.

[fol. 1888]

CADILLAC MOTOR CAR DIVISION  
General Motors Corporation

Detroit 32, Michigan.

Office of the General Sales Manager

December 30, 1960.

To Cadillac Distributors and Dealers

We are taking this means of acquainting Cadillac distributors and dealers with the problems incident to membership discount outlets offering new Cadillac cars for sale to members and their friends and the position of Cadillac with respect to this growing activity. We have received letters and telegrams from some dealers and employes of dealerships expressing deep concern as to the effects of this type of competition on their business.

The substance of these communications, while varying in content, implies that Cadillac Motor Car Division as a manufacturer is either not aware of these practices or, that knowing about the situation refuses to recognize such practices as "unfair competition" to enfranchised dealers, as well as an unsound method for potential customers to invest in new Cadillac products. Some have even suggested that Cadillac condones these practices as a means of obtaining additional sales.

All these implications are entirely unwarranted, and reflect a lack of understanding by some of the Cadillac Quality Dealer Program and the continuity of our efforts to implement the Program.

Cadillac Motor Car Division does not and has not sold its new passenger cars for resale to any outlets other than authorized Cadillac dealers. Frankly, I believe every Cadillac dealer knows this, but it appears that some of their employes may not be quite as well informed.

The reported recent expansion of the activities of so-called membership discount houses into the field of motor vehicle retail sales has been brought to our attention by members of the Cadillac field organization.

Inquiries have been made, and we are advised that these discount outlets either (1) purchase their Cadillac motor vehicles from Cadillac dealers for resale to members and their friends, or (2) by prearrangement with some Cadil-

lac dealers, they are in a position to make a deal with a customer for a price and then refer the customer to the Cadillac dealer for delivery of the vehicle at the price established by the discount house. In the latter event, the delivering Cadillac dealer reportedly pays a [fol. 1889] substantial portion of the gross profit realized on the deal to the discount establishment for division among the operator of the discount house, the operator of the automobile concession, and the automobile salesman.

Where the motor vehicles are purchased from a Cadillac dealer and resold as new-used cars, the transaction is nothing more than what has generally become to be recognized in the trade as a "bootleg" sale. On numerous occasions during the past several years, the management of General Motors Corporation has gone on record with the General Motors distributor and dealer organization expressing its deep concern with respect to this practice, which is recognized as being most detrimental to the good will which has been established over the years for, and identified with, the dealer, the manufacturer and the product.

When a customer purchases a new-used Cadillac car from one of the so-called discount houses, he reportedly does not receive a Cadillac Dealer New Car Warranty as would the original purchaser of the vehicle. Furthermore, the discount house normally provides no service facilities for the after-purchase needs of the customer. In attempting to trade upon the capital facilities of authorized dealers, the discount house seller reportedly tells the customer to take his car to any authorized Cadillac dealer for his service requirements. If the purchaser is not satisfied with the service he receives from the authorized dealer, he then blames Cadillac because, as an owner of a Cadillac product, he expects the same high degree of service which owners of Cadillac vehicles have learned to enjoy over the years from the Cadillac dealer organization.

While the management of General Motors Corporation has repeatedly pointed out the pitfalls of the "quick-profit" bootleg sale to its dealer organization, it has at the same time recognized the right of every dealer to lawfully resell his merchandise to anyone.

On May 3, 1957, the President of General Motors Cor-



poration sent all General Motors dealers a copy of his letter-reply to a protest against bootlegging from the Automobile Dealers Association of Indiana. The following quotation is from that letter:

"For several years it has been quite clear to those who have kept informed as to the interpretation of the antitrust laws that the Department of Justice has taken a firm position, both in statements and opinions, that any restriction upon the right of a dealer having [fol. 1890] title to motor vehicles to sell such motor vehicles to anyone, anywhere at any price, was a violation of the antitrust laws. Judicial opinions handed down over these years tended to confirm this interpretation.

"This 'right of the dealer to sell the motor vehicles to which he has title' as ~~he~~ pleases, is the key to these problems. It is the exercise of this right which first moves the motor vehicles into the bootleg channel. Even if there were extenuating circumstances which motivated the movement of cars into the bootleg channel, unquestionably there are many such sales by authorized dealers made solely for the purpose of obtaining a quick profit."

The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a "referral." Such arrangements, however, are far different from the casual practice in the industry whereby salesmen encourage referrals from friends and others who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the Cadillac Selling Agreements.

More importantly, arrangements of this type tend to downgrade the enfranchised dealer as a new car merchant

in the eyes of the public. It is difficult to understand how any dealer who has invested thousands of dollars in capital equipment to merchandise new cars can be a party to an arrangement which permits a discount outlet to discredit his merchandising ability by offering new cars for sale at purported "savings" to the customer, and then not only assume the obligation for the sale but also share his gross profit on the transaction with the discount house.

Cadillac Motor Car Division recognizes the problems raised by the discount house new car merchandising activities. They are critical problems for the public, the franchised dealers, and the manufacturers. New car sales [fol. 1891] by these outlets do not represent one iota of additional business for the dealer organization or the factories. They represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers who have the service facilities and trained mechanics to insure the customer's enjoyment of his investment in a new car. Most importantly, they threaten the good will of the dealer organization, the manufacturer, and the product.

The Cadillac field organization will give special attention to these problems. They propose to personally discuss this matter with dealers in those areas where such activity is reported to exist and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their Cadillac Selling Agreement.

Let me assure you that we will continue our efforts to protect the good will of our products by every available legal means.

You may wish to review this letter with your salesmen, so that they too will more fully understand the position of Cadillac with respect to the matters outlined herein.

Very truly yours, F. H. Murray, General Sales Manager.

FHMurray:mm

[fol. 1892]

BUICK MOTOR DIVISION,  
General Motors Corporation,  
Flint 2, Michigan

December 30, 1960.

To all Buick Dealers

We are taking this means of acquainting all Buick dealers with the problems incident to membership discount outlets offering new Buick cars for sale to members and their friends and the position of Buick with respect to this growing activity. We have received letters and telegrams from some dealers and employees of dealerships expressing deep concern as to the effects of this type of competition on their business.

The substance of these communications, while varying in content, implies that Buick Motor Division as a manufacturer is either not aware of these practices or, that knowing about the situation refuses to recognize such practices as "unfair competition" to enfranchised dealers, as well as an unsound method for potential customers to invest in new Buick products. Some have even suggested that Buick condones these practices as a means of obtaining additional sales.

All these implications are entirely unwarranted, and reflect a lack of understanding by some individuals of the Buick Quality Dealer Program and the continuity of our efforts to implement the Program.

Buick Motor Division does not and has not sold its new passenger cars for resale to any outlets other than authorized Buick dealers. Frankly, I believe every Buick dealer knows this, but it appears that some of their employees may not be quite as well informed.

The reported recent expansion of the activities of so-called membership discount houses into the field of motor vehicles retail sales has been brought to our attention by members of our wholesale organization.

Inquiries have been made, and we are advised that these discount outlets either (1) purchase their Buick motor vehicles from Buick dealers for resale to members and their friends, or (2) by prearrangement with some Buick dealers, they are in a position to make a deal with a cus-

tomers for a price and then refer the customer to the Buick dealer for delivery of the vehicle at the price established by the discount house. In the latter event, the delivering Buick dealer reportedly pays a substantial portion of the gross profit realized on the deal to the discount establishment for division among the operator of the discount house, the operator of the automobile concession, and the automobile salesman.

[fol. 1893] Where the motor vehicles are purchased from a Buick dealer and resold as new-used cars, the transaction is nothing more than what has generally become to be recognized in the trade as a "bootleg" sale. On numerous occasions during the past several years, the management of General Motors Corporation has gone on record with the General Motors dealer organization expressing its deep concern with respect to this practice, which is recognized as being most detrimental to the good will which has been established over the years for, and identified with, the dealer, the manufacturer and the product.

When a customer purchases a new-used Buick car from one of the so-called discount houses, he reportedly does not receive a Buick Dealer New Car Warranty as would the original purchaser of the vehicle. Furthermore, the discount house normally provides no service facilities for the after-purchase needs of the customer. In attempting to trade upon the capital facilities of authorized dealers, the discount house seller reportedly tells the customer to take his car to any authorized Buick dealer for his service requirements. If the purchaser is not satisfied with the service he received from the authorized dealer, he then blames Buick because, as an owner of a Buick product, he expects the same high degree of service which owners of Buick vehicles have learned to enjoy over the years from the Buick dealer organization.

While the management of General Motors Corporation has repeatedly pointed out the pitfalls of the "quick-profit" bootleg sale to its dealer organization, it has at the same time recognized the right of every dealer to lawfully resell his merchandise to anyone.

On May 3, 1957, the President of General Motors Corporation sent all General Motors dealers a copy of his

letter-reply to a protest against bootlegging from the Automobile Dealers Association of Indiana. The following quotation is from that letter:

"For several years it has been quite clear to those who have kept informed as to the interpretation of the antitrust laws that the Department of Justice has taken a firm position, both in statements and opinions, that any restriction upon the right of a dealer having title to motor vehicles to sell such motor vehicles to anyone, anywhere at any price, was a violation of the antitrust laws. Judicial opinions handed down over these years tended to confirm this interpretation.

"This 'right of the dealer to sell the motor vehicles to which he has title' as he pleases, is the key to these problems. It is the exercise of this right which first moves the motor vehicles into the bootleg channel. Even if there were extenuating circumstances which motivated the movement of cars into the bootleg channel, unquestionably there are many such sales by authorized dealers made solely for the purpose of obtaining a quick profit."

[fol. 1894] The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a "referral". Such arrangements, however, are far different from the casual practice in the industry whereby salesmen encourage referrals from friends and others who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the Buick Dealer Selling Agreements.

More importantly, arrangements of this type tend to downgrade the enfranchised dealer as a new car merchant in the eyes of the public. It is difficult to understand how any dealer who has invested thousands of dollars in capi-

tal equipment to merchandise new cars can be a party to an arrangement which permits a discount outlet to discredit his merchandising ability by offering new cars for sale at purported "savings" to the customer, and then not only assume the obligation for the sale but also share his gross profit on the transaction with the discount house.

Buick Motor Division recognizes the problems raised by the discount house new car merchandising activities. They are critical problems for the public, the franchised dealers, and the manufacturers. New car sales by these outlets do not represent one iota of additional business for the dealer organization or the factories. They represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers who have the service facilities and trained mechanics to insure the customer's enjoyment of his investment in a new car. Most importantly, they threaten the good will of the dealer organization, the manufacturer, and the product.

The Buick wholesale organization will give special attention to these problems. They propose to personally discuss this matter with each of their dealers in those areas where such activity is reported to exist and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their Buick Dealer Selling Agreement.

Let me assure you that we will continue our efforts to protect the good will of our products by every available legal means.

You may wish to review this letter with your salesmen, so that they will more fully understand the position of Buick with respect to the matters outlined herein.

Very truly yours, E. C. Kennard, General Sales Manager.

ECK:bb

[fol. 1895]      CHEVROLET—CENTRAL OFFICE  
Division of General Motors Corporation  
General Motors Building  
Detroit 2, Michigan

December 29, 1960.

To all Chevrolet Dealers

We are taking this means of acquainting all Chevrolet dealers with the problems incident to membership discount outlets offering new Chevrolet cars for sale to members and their friends and the position of Chevrolet with respect to this growing activity. We have received letters and telegrams from some dealers and employes of dealerships expressing deep concern as to the effects of this type of competition on their business.

The substance of these communications, while varying in content, implies that Chevrolet Motor Division as a manufacturer is either not aware of these practices or, that knowing about the situation refuses to recognize such practices as "unfair competition" to enfranchised dealers, as well as an unsound method for potential customers to invest in new Chevrolet products. Some have even suggested that Chevrolet condones these practices as a means of obtaining additional sales.

All these implications are entirely unwarranted, and reflect a lack of understanding by some of the Chevrolet Quality Dealer Program and the continuity of our efforts to implement the Program.

Chevrolet Motor Division does not and has not sold its new passenger cars and trucks for resale to any outlets other than authorized Chevrolet dealers. Frankly, I believe every Chevrolet dealer knows this, but it appears that some of their employes may not be quite as well informed.

The reported recent expansion of the activities of so-called membership discount houses into the field of motor vehicle retail sales has been brought to our attention by members of our wholesale organization.

Inquiries have been made, and we are advised that these discount outlets either (1) purchase their Chevrolet motor vehicles from Chevrolet dealers for resale to members



and their friends, or (2) by prearrangement with some Chevrolet dealers, they are in a position to make a deal with a customer for a price and then refer the customer to the Chevrolet dealer for delivery of the vehicle at the price established by the discount house. In the latter event, the delivering Chevrolet dealer reportedly pays a [fol. 1896] substantial portion of the gross profit realized on the deal to the discount establishment for division among the operator of the discount house, the operator of the automobile concession, and the automobile salesman.

Where the motor vehicles are purchased from a Chevrolet dealer and resold as new-used cars, the transaction is nothing more than what has generally become to be recognized in the trade as a "bootleg" sale. On numerous occasions during the past several years, the management of General Motors Corporation has gone on record with the General Motors dealer organization expressing its deep concern with respect to this practice, which is recognized as being most detrimental to the good will which has been established over the years for, and identified with, the dealer, the manufacturer and the product.

When a customer purchases a new-used Chevrolet car from one of the so-called discount houses, he reportedly does not receive a Chevrolet Dealer New Car Warranty as would the original purchaser of the vehicle. Furthermore, the discount house normally provides no service facilities for the after-purchase needs of the customer. In attempting to trade upon the capital facilities of authorized dealers, the discount house seller reportedly tells the customer to take his car to any authorized Chevrolet dealer for his service requirements. If the purchaser is not satisfied with the service he receives from the authorized dealer, he then blames Chevrolet because, as an owner of a Chevrolet product, he expects the same high degree of service which owners of Chevrolet vehicles have learned to enjoy over the years from the Chevrolet dealer organization.

While the management of General Motors Corporation has repeatedly pointed out the pitfalls of the "quick-profit" bootleg sale to its dealer organization, it has at the same time recognized the right of every dealer to lawfully resell his merchandise to anyone.



On May 3, 1957, the President of General Motors Corporation sent all General Motors dealers a copy of his letter-reply to a protest against bootlegging from the Automobile Dealers Association of Indiana. The following quotation is from that letter:

"For several years it has been quite clear to those [fol. 1897] who have kept informed as to the interpretation of the antitrust laws that the Department of Justice has taken a firm position, both in statements and opinions, that any restriction upon the right of a dealer having title to motor vehicles to sell such motor vehicles to anyone, anywhere at any price, was a violation of the antitrust laws. Judicial opinions handed down over these years tended to confirm this interpretation.

"This 'right of the dealer to sell the motor vehicles to which he has title' as he pleases, is the key to these problems. It is the exercise of this right which first moves the motor vehicles into the bootleg channel. Even if there were extenuating circumstances which motivated the movement of cars into the bootleg channel, unquestionably there are many such sales by authorized dealers made solely for the purpose of obtaining a quick profit."

The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a "referral." Such arrangements, however, are far different from the casual practice in the industry whereby salesmen encourage referrals from friends and others who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the Chevrolet Dealer Selling Agreements.

More importantly, arrangements of this type tend to

downgrade the enfranchised dealer as a new car merchant in the eyes of the public. It is difficult to understand how any dealer who has invested thousands of dollars in capital equipment to merchandise new cars can be a party to an arrangement which permits a discount outlet to discredit his merchandising ability by offering new cars for sale at purported "savings" to the customer, and then not only assume the obligation for the sale but also share his gross profit on the transaction with the discount house.

[fol. 1898] Chevrolet Motor Division recognizes the problems raised by the discount house new car merchandising activities. They are critical problems for the public, the franchised dealers, and the manufacturers. New car sales by these outlets do not represent one iota of additional business for the dealer organization or the factories. They represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers who have the service facilities and trained mechanics to insure the customer's enjoyment of his investment in a new car. Most importantly, they threaten the good will of the dealer organization, the manufacturer, and the product.

The Chevrolet wholesale organization will give special attention to these problems. They propose to personally discuss this matter with each of their dealers in those areas where such activity is reported to exist and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their Chevrolet Dealer Selling Agreement.

Let me assure you that we will continue our efforts to protect the good will of our products by every available legal means.

You may wish to review this letter with your salesmen, so that they too will more fully understand the position of Chevrolet with respect to the matters outlined herein.

Very truly yours, K. E. Staley, General Sales  
Manager.

[fol. 1899]

OLDSMOBILE  
Division of General Motors Corporation  
Lansing 21, Michigan

December 30, 1960.

To all Oldsmobile Dealers:

We are taking this means of acquainting all Oldsmobile dealers with the problems incident to membership discount outlets offering new Oldsmobile cars for sale to members and their friends and the position of Oldsmobile with respect to this growing activity. We have received letters and telegrams from some dealers and employes of dealerships expressing deep concern as to the effects of this type of competition on their business.

The substance of these communications, while varying in content, implies that Oldsmobile Division as a manufacturer is either not aware of these practices or, that knowing about the situation refuses to recognize such practices as "unfair competition" to enfranchised dealers, as well as an unsound method for potential customers to invest in new Oldsmobile products. Some have even suggested that Oldsmobile condones these practices as a means of obtaining additional sales.

All these implications are entirely unwarranted, and reflect a lack of understanding by some of the Oldsmobile Quality Dealer Program and the continuity of our efforts to implement the Program.

Oldsmobile Division does not and has not sold its new passenger cars and trucks for resale to any outlets other than authorized Oldsmobile dealers. Frankly I believe every Oldsmobile dealer knows this, but it appears that some of their employes may not be quite as well informed.

The reported recent expansion of the activities of so-called membership discount houses into the field of motor vehicle retail sales has been brought to our attention by members of our wholesale organization.

Inquiries have been made, and we are advised that these discount outlets either (1) purchase their Oldsmobile motor vehicles from Oldsmobile dealers for resale to members and their friends, or (2) by prearrangement with some Oldsmobile dealers, they are in a position to make

a deal with a customer for a price and then refer the customer to the Oldsmobile dealer for delivery of the vehicle at the price established by the discount house. In the latter event, the delivering Oldsmobile dealer reportedly pays a substantial portion of the gross profit realized on the deal to the discount establishment for division among the operator of the discount house, the operator of the automobile concession, and the automobile salesman. [fol. 1900] Where the motor vehicles are purchased from an Oldsmobile dealer and resold as new-used cars, the transaction is nothing more than what has generally become to be recognized in the trade as a "bootleg" sale. On numerous occasions during the past several years, the management of General Motors Corporation has gone on record with the General Motors dealer organization expressing its deep concern with respect to this practice, which is recognized as being most detrimental to the good will which has been established over the years for, and identified with, the dealer, the manufacturer and the product.

When a customer purchases a new-used Oldsmobile car from one of the so-called discount houses, he reportedly does not receive an Oldsmobile Dealer New Car Warranty as would the original purchaser of the vehicle. Furthermore, the discount house normally provides no service facilities for the after-purchase needs of the customer. In attempting to trade upon the capital facilities of authorized dealers, the discount house seller reportedly tells the customer to take his car to any authorized Oldsmobile dealer for his service requirements. If the purchaser is not satisfied with the service he receives from the authorized dealer, he then blames Oldsmobile because, as an owner of an Oldsmobile product, he expects the same high degree of service which owners of Oldsmobile vehicles have learned to enjoy over the years from the Oldsmobile dealer organization.

While the management of General Motors Corporation has repeatedly pointed out the pitfalls of the "quick-profit" bootleg sale to its dealer organization, it has at the same time recognized the right of every dealer to lawfully resell his merchandise to anyone.

On May 3, 1957, the President of General Motors Cor-

poration sent all General Motors dealers a copy of his letter-reply to a protest against bootlegging from the Automobile Dealers Association of Indiana. The following quotation is from that letter:

"For several years it has been quite clear to those who have kept informed as to the interpretation of the antitrust laws that the Department of Justice has taken a firm position, both in statements and opinions, that any restriction upon the right of a dealer having title to motor vehicles to sell such motor vehicles to anyone, anywhere at any price, was a violation of the antitrust laws. Judicial opinions handed down over these years tended to confirm this interpretation.

"This 'right of the dealer to sell the motor vehicles to which he has title' as he pleases, is the key to these problems. It is the exercise of this right which first moves the motor vehicles into the bootleg channel. Even if there were extenuating circumstances which motivated the movement of cars into the bootleg channel, unquestionably there are many such sales by authorized dealers made solely for the purpose of obtaining a quick profit."

[fol. 1901] The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a "referral." Such arrangements, however, are far different from the casual practice in the industry whereby salesmen encourage referrals from friends and others who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the Oldsmobile Dealer Selling Agreements.

More importantly, arrangements of this type tend to

downgrade the enfranchised dealer as a new car merchant in the eyes of the public. It is difficult to understand how any dealer who has invested thousands of dollars in capital equipment to merchandise new cars can be a party to an arrangement which permits a discount outlet to discredit his merchandising ability by offering new cars for sale at purported "savings" to the customer, and then not only assume the obligation for the sale but also share his gross profit on the transaction with the discount house.

Oldsmobile Division recognizes the problems raised by the discount house new car merchandising activities. They are critical problems for the public, the franchised dealers, and the manufacturers. New car sales by these outlets do not represent one iota of additional business for the dealer organization or the factories. They represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers who have the service facilities and trained mechanics to insure the customer's enjoyment of his investment in a new car. Most importantly, they threaten the good will of the dealer organization, the manufacturer, and the product.

The Oldsmobile wholesale organization will give special attention to these problems. They propose to personally discuss this matter with each of their dealers in those areas where such activity is reported to exist and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their Oldsmobile Dealer Selling Agreement.

Let me assure you that we will continue our efforts to protect the good will of our products by every available legal means.

You may wish to review this letter with your salesmen, so that they too will more fully understand the position of Oldsmobile with respect to the matters outlined herein.

Very truly yours, Emmett P. Feely, General Sales  
Manager.

[fol. 1902]      GENERAL MOTORS CORPORATION  
Pontiac, Michigan  
PONTIAC MOTOR DIVISION

December 30, 1960.

To all Pontiac Dealers:

We are taking this means of acquainting all Pontiac dealers with the problems incident to membership discount outlets offering new Pontiac cars for sale to members and their friends and the position of Pontiac with respect to this growing activity. We have received letters and telegrams from some dealers and employes of dealerships expressing deep concern as to the effects of this type of competition on their business.

The substance of these communications, while varying in content, implies that Pontiac Motor Division as a manufacturer is either not aware of these practices or, that knowing about the situation refuses to recognize such practices as "unfair competition" to enfranchised dealers, as well as an unsound method for potential customers to invest in new Pontiac products. Some have even suggested that Pontiac condones these practices as a means of obtaining additional sales.

All these implications are entirely unwarranted, and reflect a lack of understanding by some of the Pontiac Quality Dealer Program and the continuity of our efforts to implement the Program.

Pontiac Motor Division does not and has not sold its new passenger cars for resale to any outlets other than authorized Pontiac dealers. Frankly, I believe every Pontiac dealer knows this, but it appears that some of their employes may not be quite as well informed.

The reported recent expansion of the activities of so-called membership discount houses into the field of motor vehicle retail sales has been brought to our attention by members of our wholesale organization.

Inquiries have been made, and we are advised that these discount outlets either (1) purchase their Pontiac motor vehicles from Pontiac dealers for resale to members and their friends, or (2) by prearrangement with some Pontiac dealers, they are in a position to make a deal with a cus-



tomer for a price and then refer the customer to the Pontiac dealer for delivery of the vehicle at the price established by the discount house. In the latter event, the delivering Pontiac dealer reportedly pays a substantial portion of the gross profit realized on the deal to the discount establishment for division among the operator of the discount house, the operator of the automobile concession, and the automobile salesman.

[fol. 1903] Where the motor vehicles are purchased from a Pontiac dealer and resold as new-used cars, the transaction is nothing more than what has generally become to be recognized in the trade as a "bootleg" sale. On numerous occasions during the past several years, the management of General Motors Corporation has gone on record with the General Motors dealer organization expressing its deep concern with respect to this practice, which is recognized as being most detrimental to the good will which has been established over the years for, and identified with, the dealer, the manufacturer and the product.

When a customer purchases a new-used Pontiac car from one of the so-called discount houses, he reportedly does not receive a Pontiac New Car Warranty as would the original purchaser of the vehicle. Furthermore, the discount house normally provides no service facilities for the after-purchase needs of the customer. In attempting to trade upon the capital facilities of authorized dealers, the discount house seller reportedly tells the customer to take his car to any authorized Pontiac dealer for his service requirements. If the purchaser is not satisfied with the service he receives from the authorized dealer, he then blames Pontiac because, as an owner of a Pontiac product, he expects the same high degree of service which owners of Pontiac vehicles have learned to enjoy over the years from the Pontiac dealer organization.

While the management of General Motors Corporation has repeatedly pointed out the pitfalls of the "quick-profit" bootleg sale to its dealer organization, it has at the same time recognized the right of every dealer to lawfully resell his merchandise to anyone.

On May 3, 1957, the President of General Motors Corporation sent all General Motors dealers a copy of his letter-reply to a protest against bootlegging from the



Automobile Dealers Association of Indiana. The following quotation is from that letter:

"For several years it has been quite clear to those who have kept informed as to the interpretation of the antitrust laws that the Department of Justice has taken a firm position, both in statements and opinions, that any restriction upon the right of a dealer having title to motor vehicles to sell such motor vehicles to anyone, anywhere at any price, was a violation of the antitrust laws. Judicial opinions handed down over these years tended to confirm this interpretation.

"This 'right of the dealer to sell the motor vehicles to which he has title' as he pleases, is the key to these problems. It is the exercise of this right which first moves the motor vehicles into the bootleg channel. Even if there were extenuating circumstances which motivated the movement of cars into the bootleg channel, unquestionably there are many such sales by authorized dealers made solely for the purpose of obtaining a quick profit."

The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a "referral." Such arrangements, however, are far different

[fol. 1904] From the casual practice in the industry whereby salesmen encourage referrals from friends and others who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the Pontiac Dealer Selling Agreements.

More importantly, arrangements of this type tend to downgrade the enfranchised dealer as a new car merchant in the eyes of the public. It is difficult to understand how any dealer who has invested thousands of dollars in capi-

tal equipment to merchandise new cars can be a party to an arrangement which permits a discount outlet to discredit his merchandising ability by offering new cars for sale at purported "savings" to the customer, and then not only assume the obligation for the sale but also share his gross profit on the transaction with the discount house.

Pontiac Motor Division recognizes the problems raised by the discount house new car merchandising activities. They are critical problems for the public, the franchised dealers and the manufacturers. New car sales by these outlets do not represent one iota of additional business for the dealer organization or the factories. They represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers who have the service facilities and trained mechanics to insure the customer's enjoyment of his investment in a new car. Most importantly, they threaten the good will of the dealer organization, the manufacturer, and the product.

The Pontiac wholesale organization will give special attention to these problems. They propose to personally discuss this matter with each of their dealers in those areas where such activity is reported to exist and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their Pontiac Dealer Selling Agreement.

Let me assure you that we will continue our efforts to protect the good will of our products by every available legal means.

You may wish to review this letter with your salesmen, so that they too will more fully understand the position of Pontiac with respect to the matters outlined herein.

Very truly yours, Frank V. Bridge, General Sales Manager.

[fol. 1905] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AW

Mr. J. M. Roche, 14-146 G.M. Bldg.  
K. E. Staley, A-246 G.M. Bldg.

December 29, 1960.

This is to advise that the letter on "*discount houses*" referred to in your memorandum of December 28th, 1960 to General Sales Managers was mailed to all Chevrolet Dealers on December 29th, 1960.

The five copies of this letter which you requested are attached.

Very truly yours, —, —.

KES mw

Attachs.

[fol. 1906] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AX

February 15, 1961.

Mr. John S. Gordon, President  
General Motors Building  
New York City, New York

Dear Sir:

For the past seven years the Fleet Sales Company has provided qualified prospects for new cars dealers in the Los Angeles Area. We have developed a particular method which has been successful in locating and qualifying new car prospects for those dealers wishing to avail themselves of our services. This is our sole function.

As you well know, factory pressure has been brought to bear on General Motors dealers suggesting that they cease to do business with "discount houses". Unfortunately and wrongly, we have been included in this group.

It is not practical for us to remain in business unless we prospect for all makes of cars and certainly we could not survive without Chevrolet. Therefore, unless our prospecting service is approved or at least left up to each dealer to freely decide for himself, you will be forcing us out of existence.

We would be most happy to discuss this matter with you in your office, our office, by telephone or any place you may suggest at your earliest convenience in order to clarify any misconceptions you may have regarding our function.

Very truly yours, James Fahy, Partner, Virgil Dunn,  
Partner.

Copies to: E. N. Cole, General Mgr., R. M. O'Connor,  
Chevrolet Zone Mgr., R. M. Cash, Chevrolet Regional Manager.

[fol. 1907] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AY

GENERAL MOTORS CORPORATION  
Inter-Organization Letters Only

March 23, 1961.

To: Mr. Lawrence Averill  
Assistant General Sales Manager

Address: Chevrolet Motors Division  
A-268

Dear Larry:

You will recall our conversation relative to a letter John F. Gordon, President, received from Mr. James Fahy, Fleet Sales Company, Los Angeles complaining that "factory pressure has been brought to bear on General Motors dealers suggesting they cease doing business with discount houses". Copies of Mr. Fahy's letter were sent to Messrs. E. N. Cole, R. M. O'Connor and R. M. Cash.

Attached is copy of our reply to Mr. Fahy as drafted by the Legal Department. We are forwarding copies of this correspondence to Messrs. Cole and O'Connor.

Sincerely, A. H. Belfie, Merchandising Manager.

AHB:jf

Attach.

[fol. 1908]

G B H

GENERAL MOTORS CORPORATION  
General Motors Building  
3044 West Grand Boulevard  
Detroit 2, Michigan

Department of Justice, March 29 1961,  
Division of Records, Anti-Trust

March 23, 1961.

Mr. James Fahy  
Mr. Virgil Dunn  
Fleet Sales Company  
3870 Crenshaw Boulevard  
Los Angeles 8, California

Gentlemen:

Your letter of February 15, 1961, addressed to Mr. John F. Gordon, President, General Motors Corporation, has been referred to the undersigned for attention and reply. This will also serve as an acknowledgement of the copies of that letter which you sent to Mr. E. N. Cole, General Manager, Chevrolet, Mr. R. M. Cash, Chevrolet Regional Manager, and Mr. R. M. O'Connor, Chevrolet Zone Manager.

I have no knowledge of what you term "factory pressure" having been brought to bear on General Motors dealers suggesting that they cease to do business with "discount houses".

Every General Motors dealer has a Selling Agreement which provides among other things, that the dealer shall furnish a place of business satisfactory as to appearance and location and adequate in size for new motor vehicle sales and service operations; and that once established in facilities and at a location mutually satisfactory to the dealer and General Motors, the dealer will not establish a new or different location, branch sales office, or place of business without the prior written approval of General Motors.

It was brought to our attention that some dealers had entered into arrangements with discount houses operating from advertised locations, far removed from the dealers'

locations—under which the discount houses were paid a commission for advertising and sell cars on behalf of the dealers. The dealers were advised that such arrangements were subject to investigation by General Motors Corporation in the light of the provisions of the Dealer Selling Agreements.

[fol. 1909] This notice to dealers reminding them of the lawful obligations which they had assumed as a part of their Selling Agreements is not to be confused with the idea of "factory pressure" as implied in your letter.

Every dealer knows, and has been so advised by General Motors, that as an independent merchant he is lawfully entitled to sell his inventory to anyone, anywhere, at any price. In doing so, however, he is not privileged to breach a lawful provision in the Selling Agreement which he has executed without rendering himself responsible for such breach.

Very truly yours, A. H. Belfie, Merchandising Manager.

AHB:jf

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[fol. 1910] [File endorsement omitted]

[fol. 1911] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AZ

IN THE UNITED STATES DISTRICT COURT FOR THE  
SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil No. 62-1208-CC

STIPULATION OF FACTS NUMBER THREE—May 20, 1964

UNITED STATES OF AMERICA, Plaintiff,

v.

GENERAL MOTORS CORPORATION, LOSOR CHEVROLET DEALERS  
ASSOCIATION; DEALERS' SERVICE, INC.; and FOOTHILL  
CHEVROLET DEALERS ASSOCIATION, Defendants.

[fol. 1912] Plaintiff and each of the defendants, through their respective counsel, hereby stipulate that witnesses, if called, would testify to the following facts:

1. GM Exhibits A and B are accurate photographic copies of maps prepared and copyrighted in 1961 by Renie Map Service, Los Angeles, California and are accurately scaled and topographically correct representations of those portions of Los Angeles, Orange and San Bernardino Counties, California, shown thereon as they were during the period January 1, 1960 through October 12, 1961. Colored numbered dots have been affixed to each of said maps. (Reduced photographic copies of said Exhibits are attached to this stipulation as Attachments A and B, respectively.)

2. The blue numbered dots shown on GM Exhibits A and B accurately reflect the geographic location of each Chevrolet dealer described in Paragraph 17 of the Stipulation of Facts No. 1 in these proceedings, located in the Chevrolet Los Angeles Metropolitan Area (as defined in Paragraph 17, Exhibit 4.2 of said Stipulation) during the



said period of January 1, 1960 through October 12, 1961. The number on each blue dot represents the name of the Chevrolet dealer described opposite the same number in GM Exhibit C, a copy of which is attached hereto as Attachment C.

[fol. 1913] 3. The red numbered dots shown on GM Exhibit A accurately reflect the geographic locations of those discount houses and referral services, set forth in Paragraph 28 of the Stipulation of Facts No. 1 in these proceedings, located within said Los Angeles Metropolitan Area. The number on each red dot represents the name of the discount house or referral service described opposite the same number in GM Exhibit D, a copy of which is attached hereto as Attachment D.

4. GM Exhibit E, a copy of which is attached hereto as Attachment E, is an accurate listing as of September 1961, obtained from R. L. Polk & Co., Detroit, Michigan, of every Ford, Mercury and Comet new car dealer (hereafter: "Ford Dealer") and its location, located in said Los Angeles Metropolitan Area. Each black numbered dot shown on said GM Exhibit B accurately reflects the geographic location of each such Ford Dealer in said area. Each number on each black dot represents the name of the Ford Dealer described opposite the same number in said GM Exhibit E.

5. GM Exhibit F, a copy of which is attached hereto as Attachment F, is an accurate listing as of September 1961, obtained from R. L. Polk & Co., Detroit, Michigan, of every Plymouth and Dodge dealer (hereafter: "Chrysler Dealer") and its location, located in said Los Angeles Metropolitan Area. Each orange numbered dot shown on [fol. 1914] said GM Exhibit B accurately reflects the geographic location of each such Chrysler Dealer in said area. Each number on each orange dot represents the name of the Chrysler Dealer described opposite the same number in said GM Exhibit F.

6. GM Exhibit G, a copy of which is attached hereto as Attachment G, is an accurate listing as of September 1961, obtained from R. L. Polk & Co., Detroit, Michigan,

of every Rambler dealer and its location, located in said Los Angeles Metropolitan Area. Each green numbered dot shown on said GM Exhibit B accurately reflects the geographic location of each such Rambler dealer in said area. Each number on each green dot represents the name of the Rambler dealer described opposite the same number in GM Exhibit G.

7. GM Exhibit H, a copy of which is attached hereto as Attachment H, is an accurate listing as of September 1961, obtained from R. L. Polk & Co., Detroit, Michigan, of every Studebaker dealer and its location, located in said Los Angeles Metropolitan Area. Each brown numbered dot shown on said GM Exhibit B accurately reflects the geographic location of each such Studebaker dealer in said area. Each number on each brown dot represents the name of the Studebaker dealer described opposite the same number in GM Exhibit H.

[fol. 1915] 8. GM Exhibit I, a copy of which is attached hereto as Attachment I, is an accurate listing as of September 1961, obtained from R. L. Polk & Co., Detroit, Michigan, of every Volkswagen dealer and its location, located in said Los Angeles Metropolitan Area. Each magenta numbered dot shown on said GM Exhibit B accurately reflects the geographic location of each such Volkswagen dealer in said area. Each number of each magenta dot represents the name of the Volkswagen dealer described opposite the same number in GM Exhibit I.

9. GM Exhibit J, a copy of which is attached hereto as Attachment J, is an accurate and complete tabulation and compilation prepared from Exhibit B, showing by identifying number, each Chevrolet dealer, Ford dealer, Chrysler dealer, Rambler dealer, Studebaker dealer and Volkswagen dealer located within a five mile radius of each Chevrolet dealer indexed in Exhibit C.

• • • • •

[fol. 1916] Dated: May 20, 1964.

Maxwell M. Blecher, Robert C. Weinbaum. By:  
Maxwell M. Blecher, Attorney, Department of  
Justice. O'Melveny & Myers, Lawler, Felix &  
Hall, Aloysius F. Power, Robert A. Nitschke,  
Nicholas J. Rosiello. By Homer I. Mitchell,  
Hansen & Dolle, Glenn S. Roberts. By: Victor  
R. Hansen, Attorneys for Defendants.

It is so ordered this 1st day of June, 1964.

Charles H. Carr, United States District Judge.

## [fol. 1917] IN THE UNITED STATES DISTRICT COURT

## DEFENDANTS' EXHIBIT BA

Summary of Profitability in the Service and Parts Departments in 1960 for  
the 76 Los Angeles Metropolitan Area Chevrolet Dealers

	Number of Dealers	Percent of Dealers	Median Net Profit or (Loss) in Serv. & Parts Depts.
	No.	%	\$
Profitable.....	23	30	11,900
Non-profitable.....	53	70	(20,500)
Total.....	76	100	(14,100)

## [fol. 1918] IN THE UNITED STATES DISTRICT COURT

## DEFENDANTS' EXHIBIT BB

Estimated Reduction in New Car Volume to Eliminate All Profit for Volume  
Classes of Los Angeles Metropolitan Area Chevrolet Dealers

Dealer Volume Class (Before Reduction)	Reduction to Eliminate Profit	
	% Reduction	No. Cars Per Year
300.....	12%	36
400.....	17%	68
500.....	33%	165
600.....	21%	126
700.....	30%	210

## [fol. 1919] IN THE UNITED STATES DISTRICT COURT

## DEFENDANTS' EXHIBIT BC

Estimated Reduction in New Car Selling Price to Eliminate All Profit for Volume  
Classes of Los Angeles Metropolitan Area Chevrolet Dealers

Dealer Volume	Price Reduction to Eliminate Profit	
	% Reduction	Dollars Per Car
300.....	1.0%	\$27
400.....	1.4%	\$38
500.....	2.9%	\$77
600.....	1.8%	\$48
700.....	2.6%	\$69

## [fol. 1920] IN THE UNITED STATES DISTRICT COURT

## DEFENDANTS' EXHIBIT BD

Median Gross Profit Per New Chevrolet Passenger Car Sold in 1960 by Los  
Angeles Metropolitan Area Chevrolet Dealers Who Sold Through Discount  
Houses or Referral Services

(Current Models Only)

Dealer	Number Sold		Median Gross Profit Per Car	
	Regular (No.)	Referral- Discount House (No.)	Regular (\$)	Referral- Discount House (\$)
All 7 dealers.....	5,970	1,336	220	235
Biggs.....	643	355	249	254
Bruder.....	600	239	231	251
Citizens.....	1,259	262	195	223
Courtesy.....	1,573	104	223	227
Gwynn.....	668	93	232	221
Porter.....	789	138	230	224
West Adams.....	438	145	224	223

[fol. 1921] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BE

TAKEN FROM HIRSCH, INTRODUCTION TO MODERN STATISTICS,  
p 45 (The Macmillan Company, 1957)



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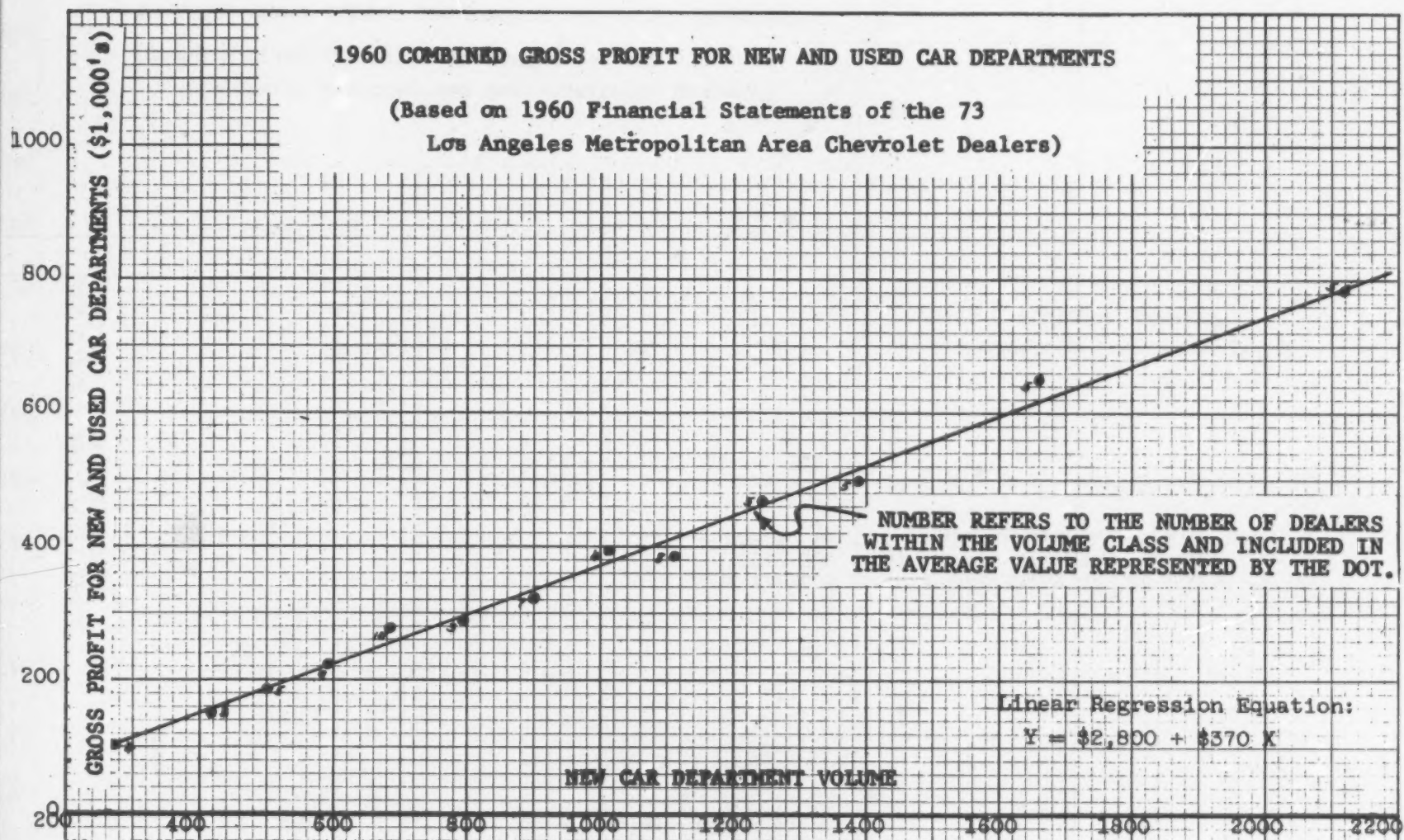
"Average annual income here's about \$12,000. There's fifty of us  
clears \$2,000 and one fellow makes half a million"

In the example depicted the Average as determined by  
the MEDIAN is \$2,000 while the Average as determined by  
the ARITHMETIC MEAN is \$11,765.

[fol 1922]

IN THE UNITED STATES DISTRICT COURT

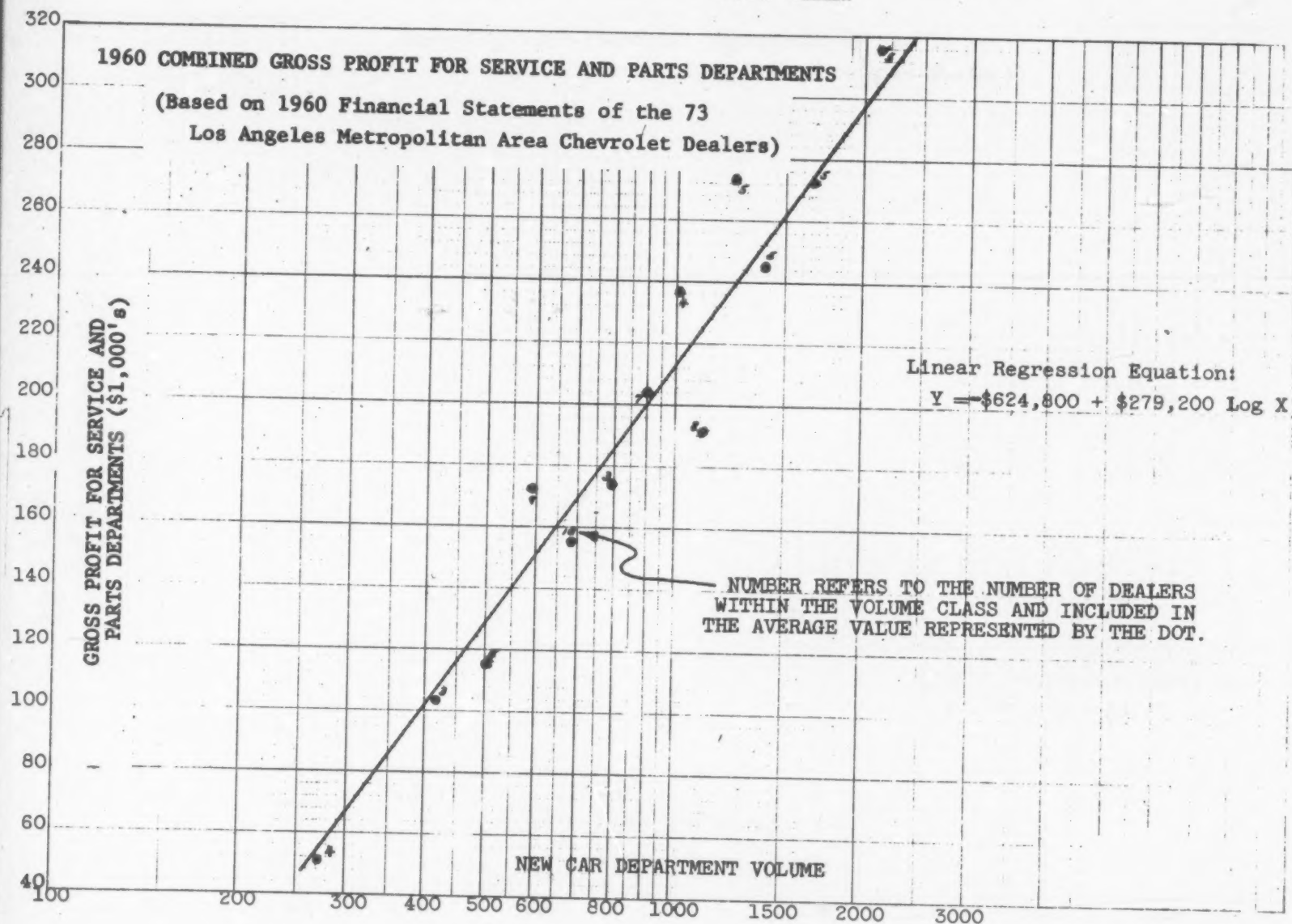
DEFENDANTS' EXHIBIT BF





## IN THE UNITED STATES DISTRICT COURT

## DEFENDANTS' EXHIBIT BG

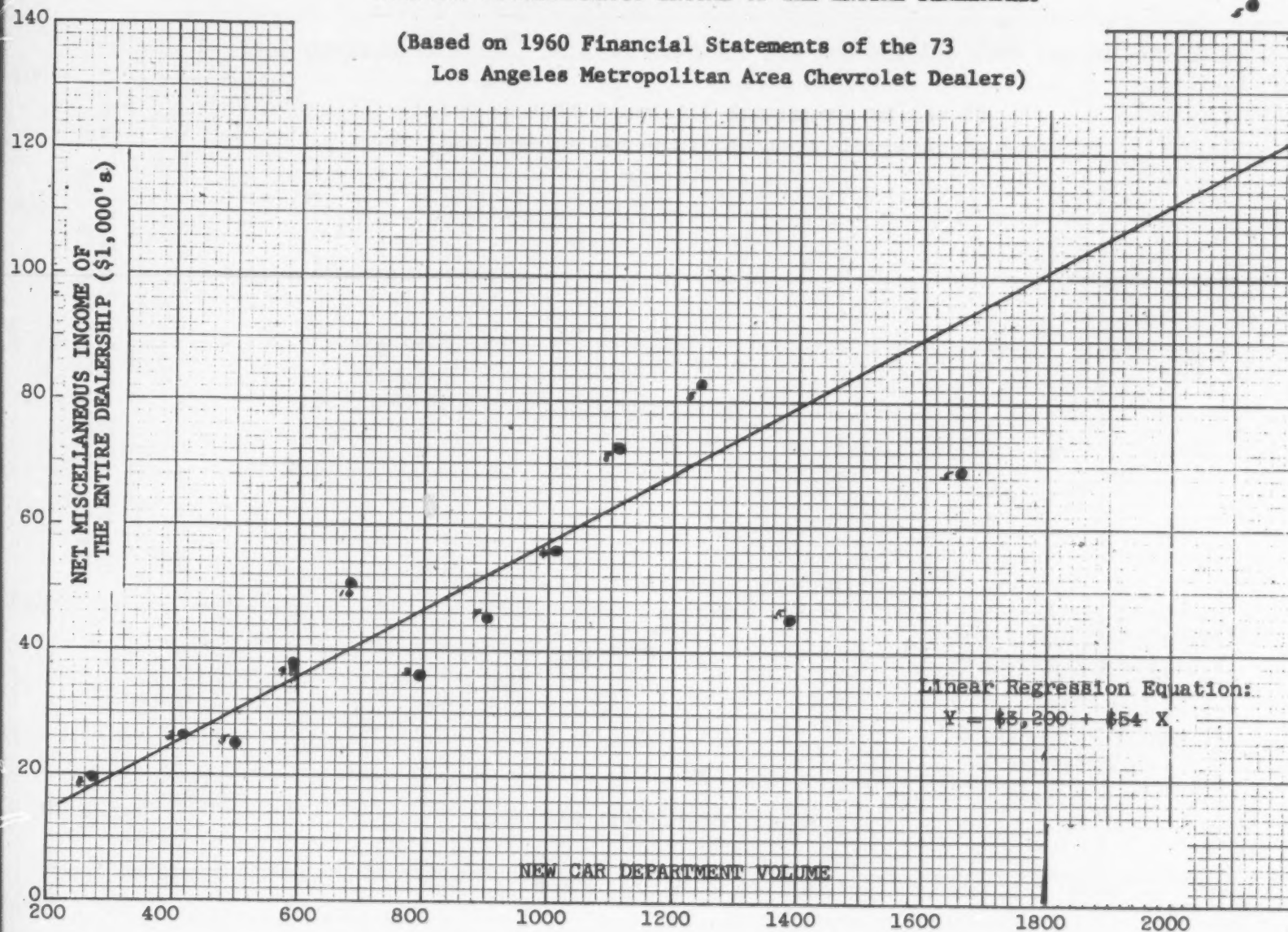




## DEFENDANTS' EXHIBIT BH

## 1960 NET MISCELLANEOUS INCOME OF THE ENTIRE DEALERSHIP

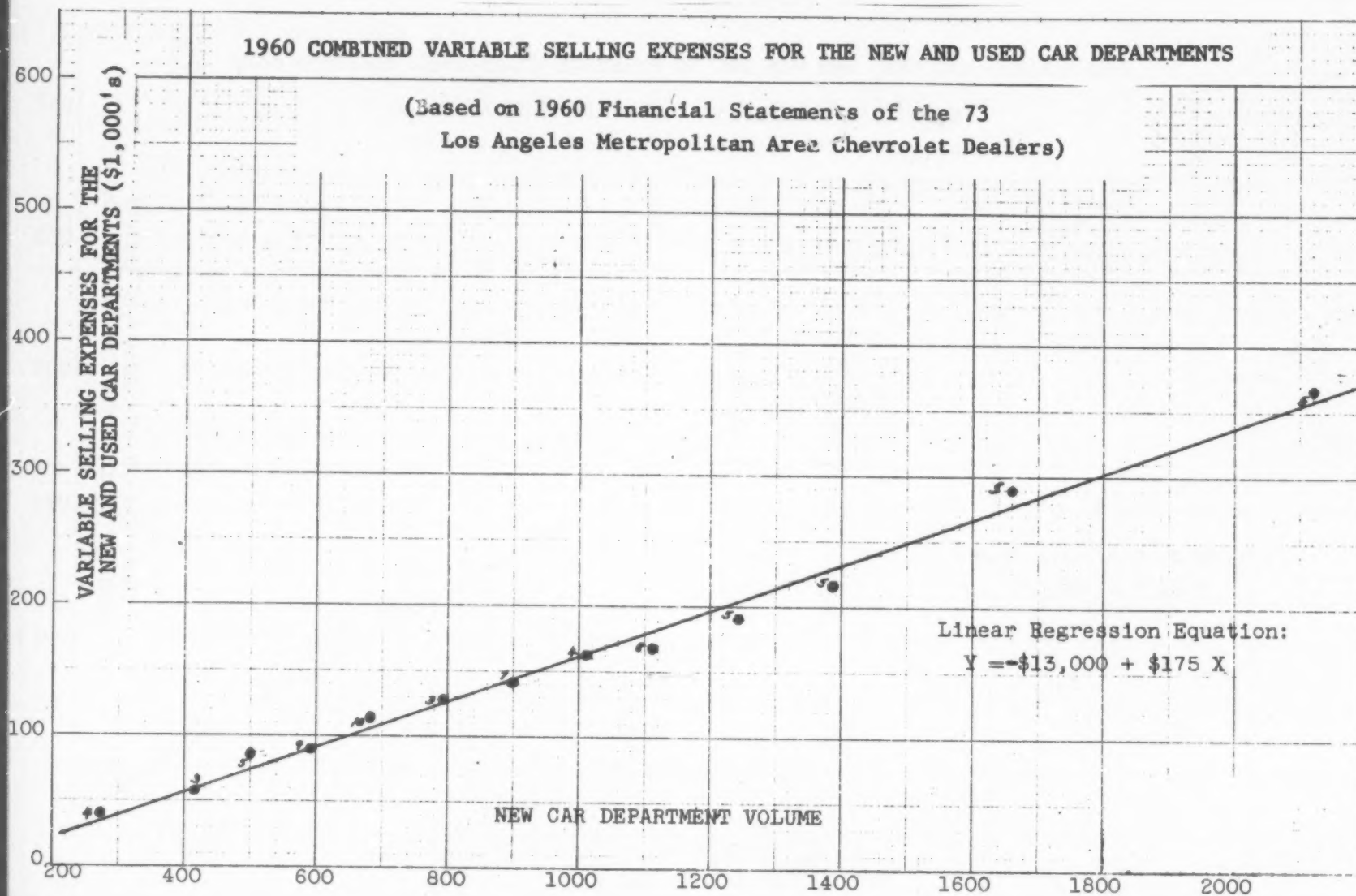
(Based on 1960 Financial Statements of the 73  
Los Angeles Metropolitan Area Chevrolet Dealers)



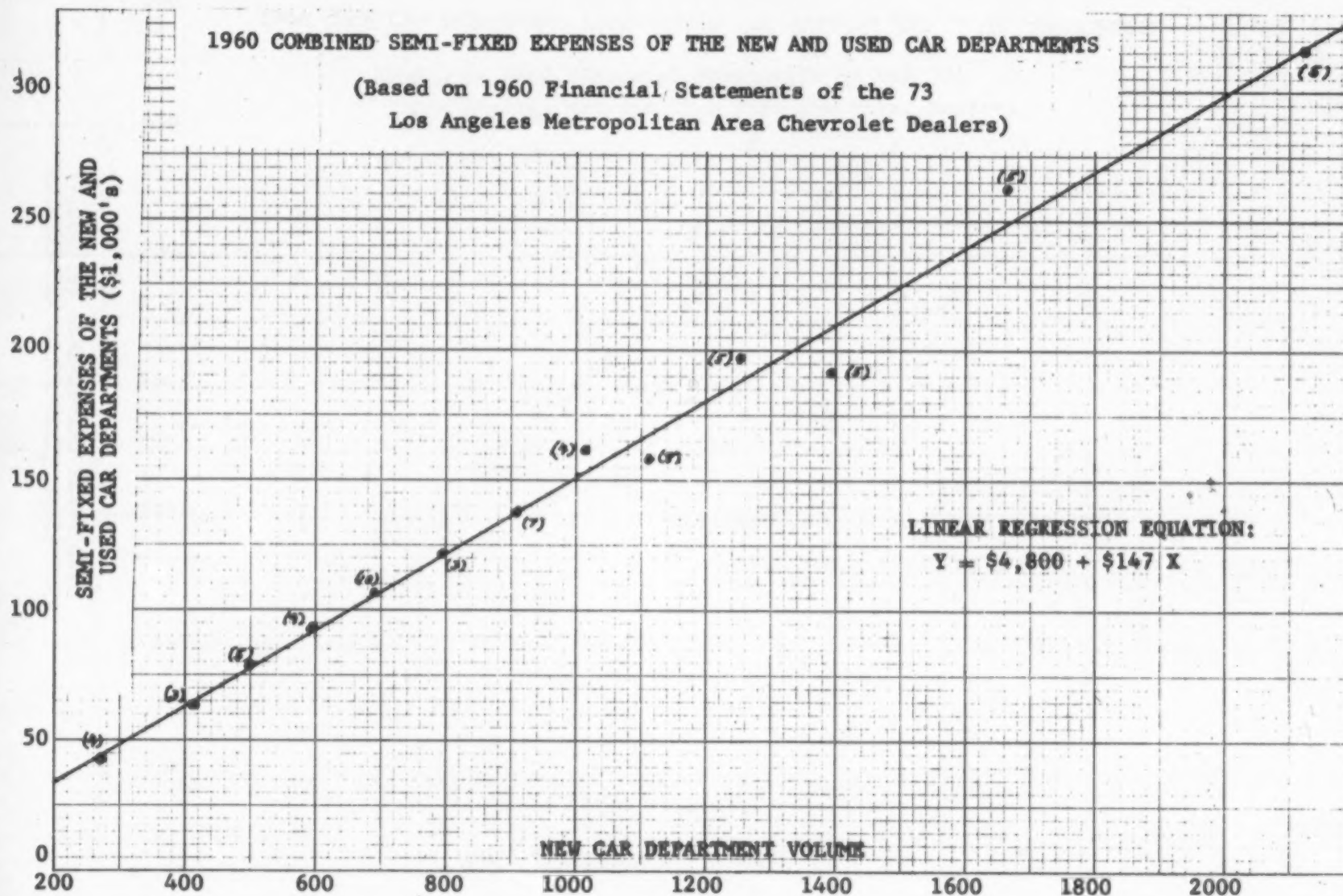
[fol. 1925]

IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BI



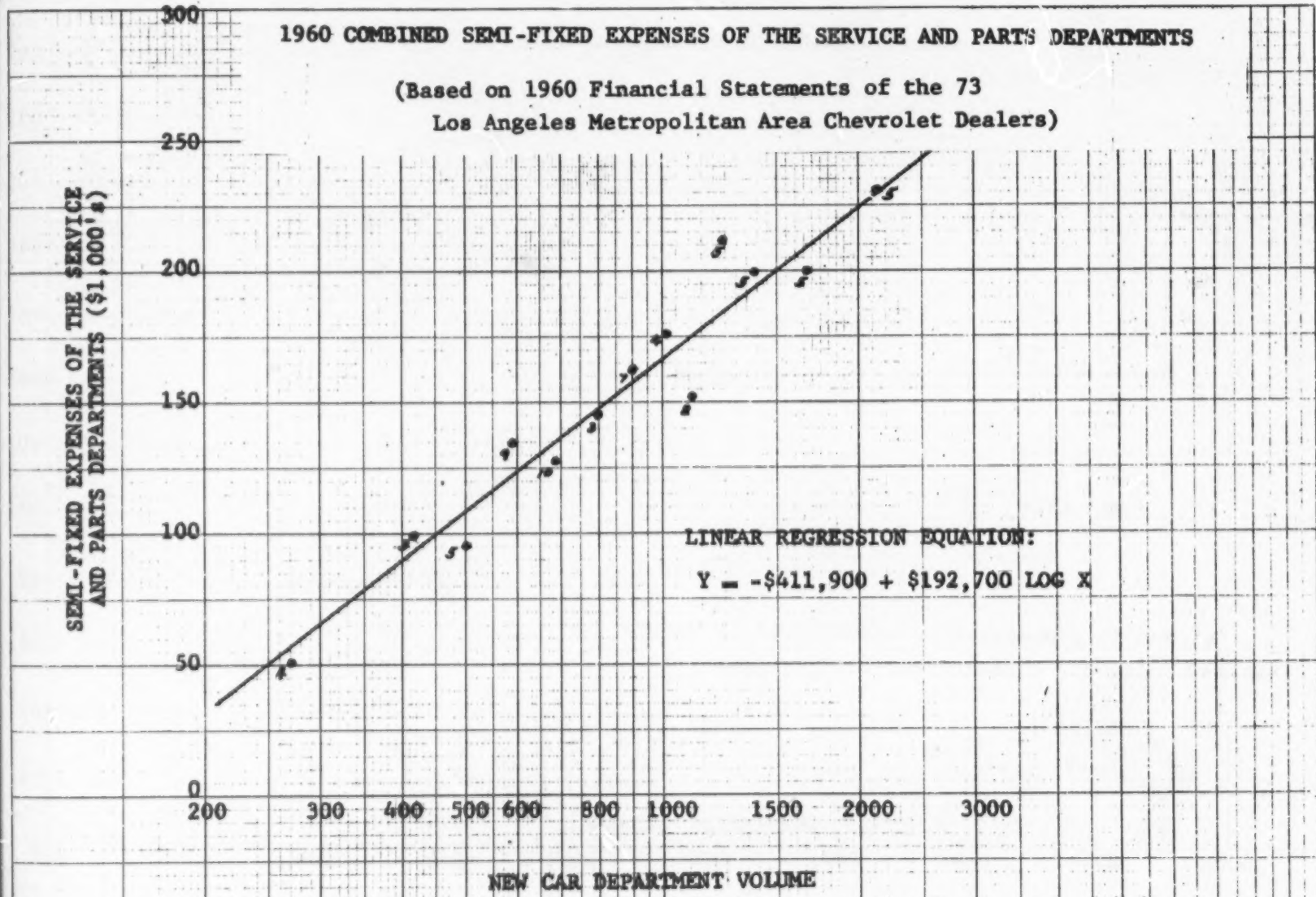
## DEFENDANTS' EXHIBIT BJ



[fol. 1927]

IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BK

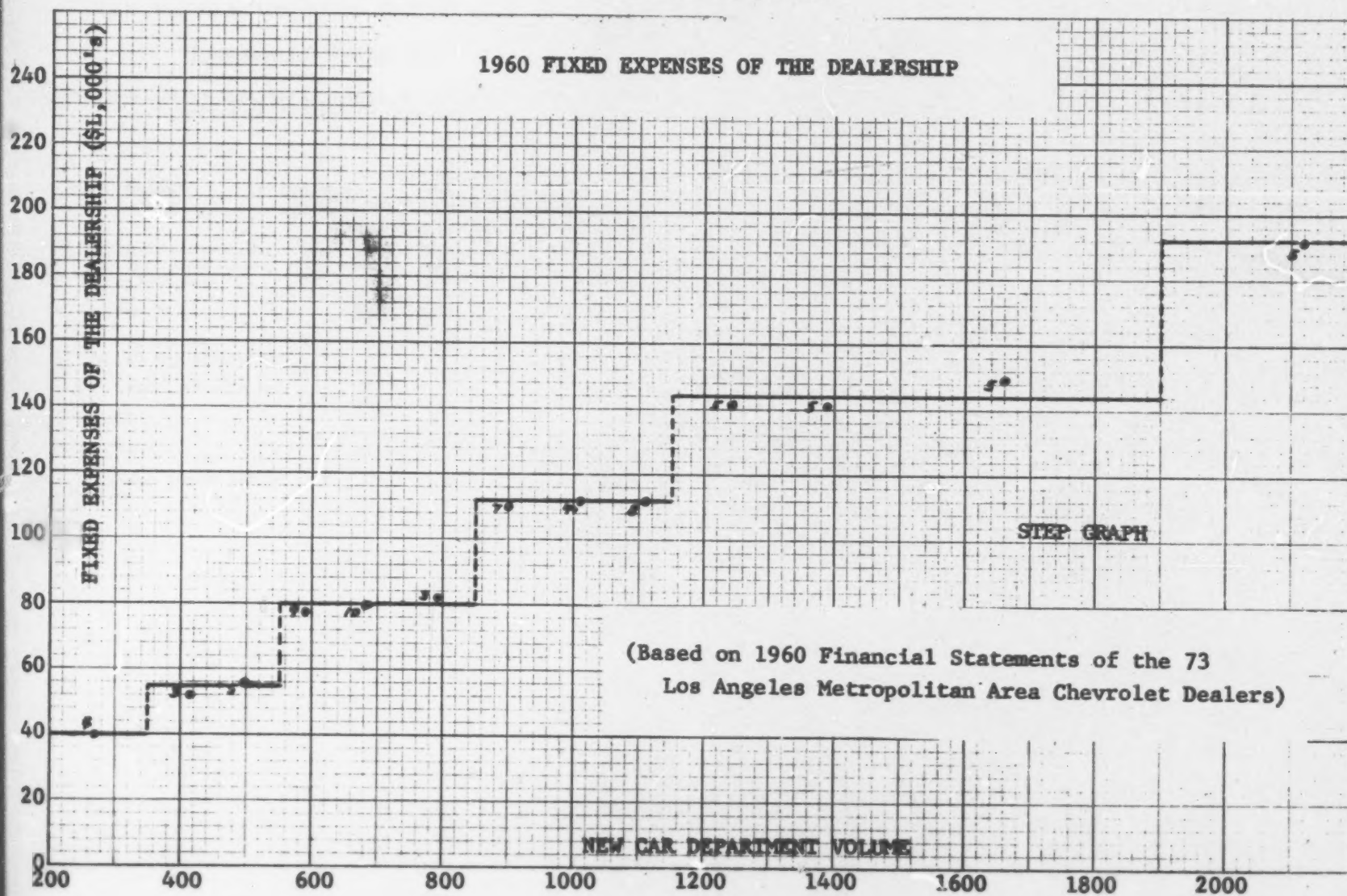




[fol. 1928]

IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BL





[fol. 1929] IN THE UNITED STATES DISTRICT COURT

## DEFENDANTS' EXHIBIT BM

Effect of a Loss in Sales Volume Upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 300 New Car Volume Class

Financial Item	Reference Exhibit	300 (\$000's)	Per Cent Reduction		
			5% Number of New Car Sales 285	10% 270	12% 264
			(\$000's)	(\$000's)	(\$000's)
Gross profit on new and used cars . .	BF	113.8	108.2	102.7	100.5
Gross profit on parts and service . .	BG	66.8	66.8	66.8	66.8
Miscellaneous net income . . . . .	BH	19.4	18.6	17.8	17.5
Total gross profit . . . . .		200.0	193.6	187.3	184.8
Variable selling expenses . . . . .	BI	39.5	36.9	34.2	33.2
Semi-fixed new and used car ex- penses . . . . .	BJ	48.9	47.9	46.9	46.5
Semi-fixed service and parts ex- penses . . . . .	BK	65.4	65.4	65.4	65.4
Fixed expenses . . . . .	BL	40.0	40.0	40.0	40.0
Total expenses . . . . .		193.8	190.2	186.5	185.1
Net profit before bonuses and in- come taxes . . . . .		<u>6.2</u>	<u>3.4</u>	<u>0.8</u>	<u>(0.3)</u>
					Breakeven Point

## [fol. 1930] IN THE UNITED STATES DISTRICT COURT

## DEFENDANTS' EXHIBIT BN

Effect of a Loss in Sales Volume Upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 400 New Car Volume Class

Financial Item	Reference Exhibit	Per Cent Reduction				
		5%	10%	15%	17%	
		Number of New Car Sales				
		400 (\$000's)	380 (\$000's)	360 (\$000's)	340 (\$000's)	332 (\$000's)
Gross profit on new and used cars.....	BF	150.8	143.4	136.0	128.6	125.6
Gross profit on parts and service.....	BG	101.7	101.7	101.7	101.7	101.7
Miscellaneous net income.	BH	24.8	23.7	22.6	21.6	21.1
Total gross profit...		277.3	268.8	260.3	251.9	248.4
Variable selling expenses..	BI	57.0	53.5	50.0	46.5	45.1
Semi-fixed new and used car expenses.....	BJ	63.6	62.3	61.1	59.8	59.3
Semi-fixed service and parts expenses.....	BK	89.5	89.5	89.5	89.5	89.5
Fixed expenses.....	BL	55.0	55.0	55.0	55.0	55.0
Total expenses.....		265.1	260.3	255.6	250.8	248.9
Net profit before bonuses and income taxes.....		<u>12.2</u>	<u>8.5</u>	<u>4.7</u>	<u>1.1</u>	<u>(0.5)</u>
						Breakeven point



## [fol. 1931] IN THE UNITED STATES DISTRICT COURT

## DEFENDANTS' EXHIBIT BO

Effect of a Loss in Sales Volume Upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 500 New Car Volume Class

Financial Item	Reference Exhibit	Per Cent Reduction				
		10%	20%	30%	33%	
		Number of New Car Sales				
		500 (\$000's)	450 (\$000's)	400 (\$000's)	350 (\$000's)	335 (\$000's)
Gross profit on new and used cars.....	BF	187.8	169.3	150.8	132.3	126.7
Gross profit on parts and service.....	BG	128.8	128.8	128.8	128.8	128.8
Miscellaneous net income.	BH	30.2	27.5	24.8	22.1	21.3
Total gross profit...		346.8	325.6	304.4	283.2	276.8
Variable selling expenses.	BI	74.5	65.8	57.0	48.2	45.6
Semi-fixed new and used car expenses.....	BJ	78.3	75.2	72.0	68.9	68.0
Semi-fixed service and parts expenses.....	BK	108.2	108.2	108.2	108.2	108.2
Fixed expenses.....	BL	55.0	55.0	55.0	55.0	55.0
Total expenses.....		316.0	304.2	292.2	280.3	276.8
Net profit before bonuses and income taxes.....		<u>30.8</u>	<u>21.4</u>	<u>12.2</u>	<u>2.9</u>	-0-
						Breakeven Point

## [fol. 1932] IN THE UNITED STATES DISTRICT COURT

## DEFENDANTS' EXHIBIT BP

Effect of a Loss in Sales Volume Upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 600 New Car Volume Class

Financial Item	Reference Exhibit	Per Cent Reduction			
		10%	20%	21%	
		Number of New Car Sales			
		600	540	480	474
		(000's)	(000's)	(000's)	(000's)
Gross profit on new and used cars . .	BF	224.8	202.6	180.4	178.2
Gross profit on parts and service . .	BG	150.9	150.9	150.9	150.9
Miscellaneous net income . . . . .	BH	35.6	32.4	29.1	28.8
Total gross profit . . . . .		411.3	385.9	360.4	357.9
Variable selling expenses . . . . .	BI	92.0	81.5	71.0	70.0
Semi-fixed new and used car ex- penses . . . . .	BJ	93.0	89.3	85.6	85.2
Semi-fixed service and parts ex- penses . . . . .	BK	123.4	123.4	123.4	123.4
Fixed expenses . . . . .	BL	80.0	80.0	80.0	80.0
Total expenses . . . . .		388.4	374.2	360.0	358.6
Net profit before bonuses and in- come taxes . . . . .		<u>22.9</u>	<u>11.7</u>	<u>0.4</u>	<u>(0.7)</u>
					Breakeven Point

## [fol. 1933] IN THE UNITED STATES DISTRICT COURT

## DEFENDANTS' EXHIBIT BQ

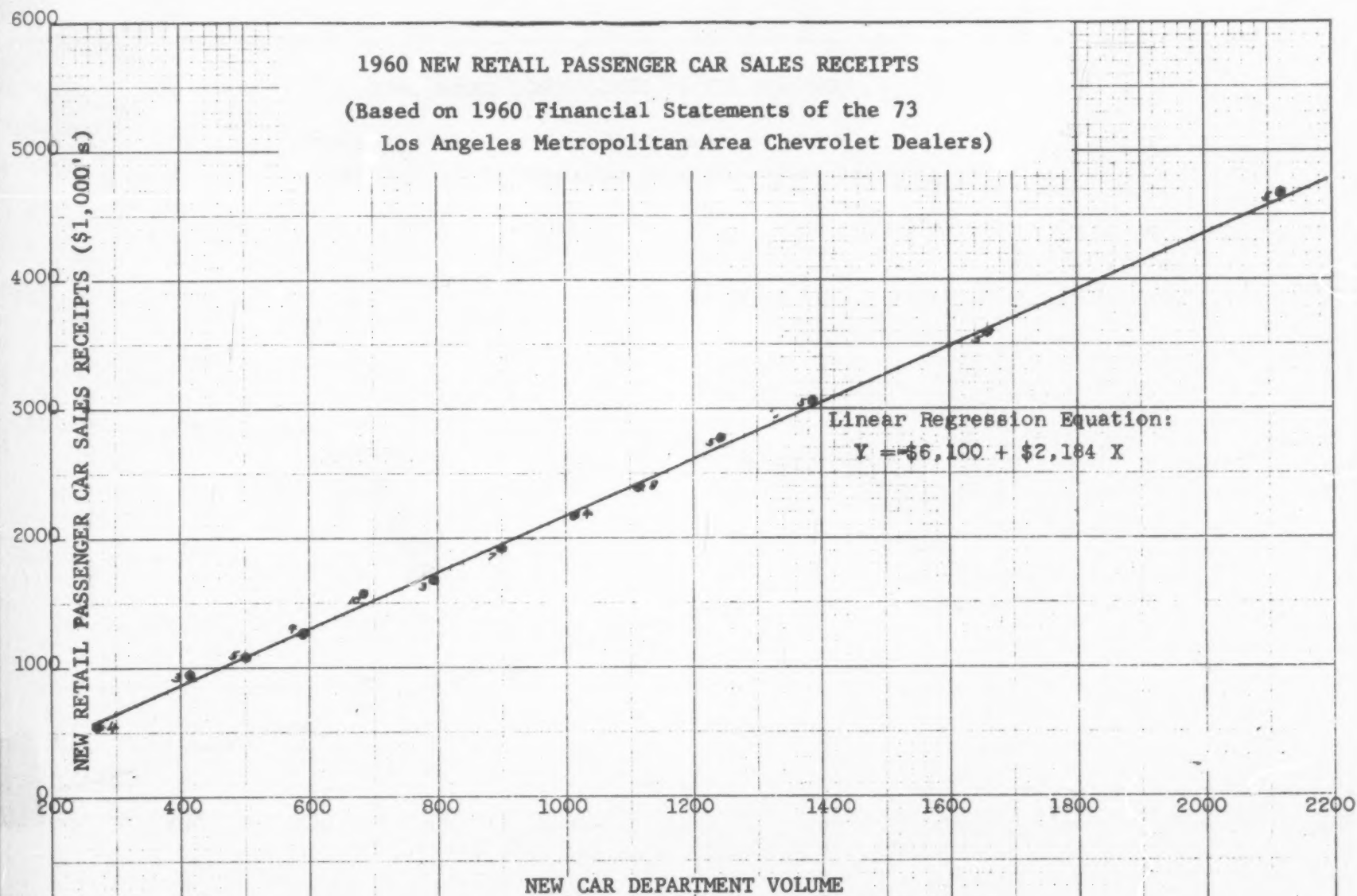
Effect of a Loss in Sales Volume Upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 700 New Car Volume Class

Financial Item	Reference Exhibit	Per Cent Reduction			
		10%	20%	30%	
		Number of New Car Sales			
		700	630	560	490
		(\$000's)	(\$000's)	(\$000's)	(\$000's)
Gross profit on new and used cars . . .	BF	261.8	235.9	210.0	184.1
Gross profit on parts and service . . .	BG	169.6	169.6	169.6	169.6
Miscellaneous net income . . . . .	BH	41.0	37.2	33.4	29.7
Total gross profit . . . . .		472.4	442.7	413.0	383.4
Variable selling expenses . . . . .	BI	109.5	97.2	85.0	72.8
Semi-fixed new and used car expenses . . . . .	BJ	107.7	103.4	99.1	94.8
Semi-fixed service and parts expenses . . . . .	BK	136.4	136.4	136.4	136.4
Fixed expenses . . . . .	BL	80.0	80.0	80.0	80.0
Total expenses . . . . .		433.6	417.0	400.5	384.0
Net profit before bonuses and income taxes . . . . .		<u>38.8</u>	<u>25.7</u>	<u>12.5</u>	<u>(0.6)</u>
					Breakeven Point

[fol. 1934]

IN THE UNITED STATES DISTRICT COURT

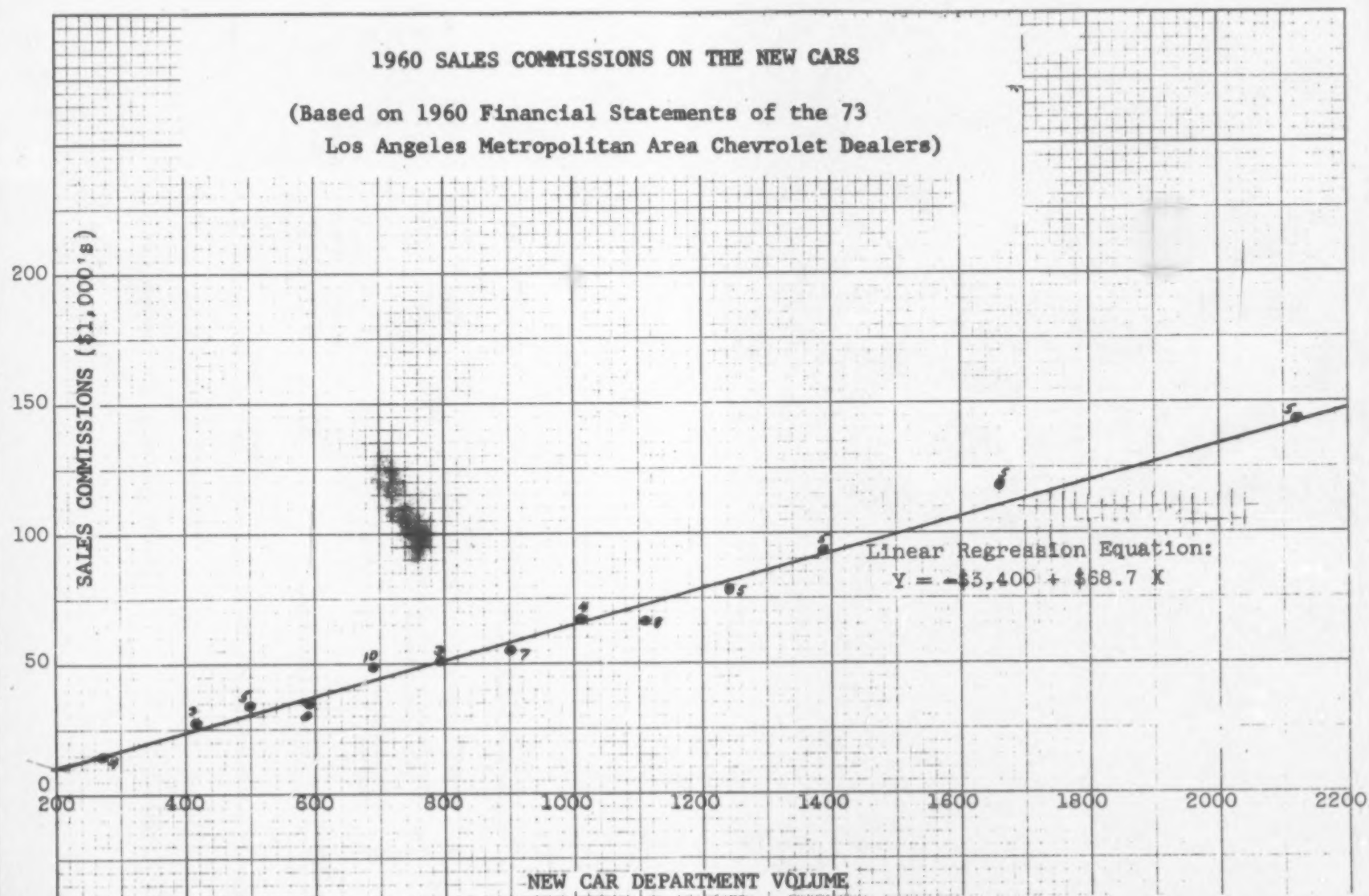
DEFENDANTS' EXHIBIT BR



[fol. 1935]

IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BS





[fol. 1936]

IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BT

Effect of Reductions in Selling Prices of New Chevrolets Upon Los Angeles Metropolitan Area Chevrolet Dealers of Various Volume Classes

Line Number	Financial Item	Reference Exhibit	Number of New Car Sales					
			300	400	500	600	700	
1	Retail sales.....	BR	((\$000's)	((\$000's)	((\$000's)	((\$000's)	((\$000's)	
2	Sales commissions.....	BS	649.1	867.5	1,085.9	1,304.3	1,522.7	
			17.2	24.1	31.0	37.8	44.7	
3	Sales minus commission.....		631.9	843.4	1,054.9	1,266.5	1,478.0	
4	Profits before bonuses and income taxes.....	(BM to BQ)	6.2	12.2	30.8	22.9	38.8	
5	Percent price reduction to breakeven point = NP x 100		1.0%	1.4%	2.9%	1.8%	2.6%	
6	Sales minus commissions Dollars per car = (%) (\$2,652 per car).....		\$27	\$38	\$77	\$48	\$69	

## [fol. 1937] IN THE UNITED STATES DISTRICT COURT

## DEFENDANTS' EXHIBIT BU

Chevrolet Dealers in Los Angeles Metropolitan Area Within Five Miles of Each of the Discount Houses and Referral Services Shown on Def. GM Ex. A

Discount House or Referral Service (Identifying Number)	Chevrolet Dealers Located Within Five Miles Identifying Number	Total
1	3-14-42-50-51	5
2	21-36-45-72	4
3	2-4-9-12-24-30-47-54-55-59-84	11
4	64-65-72	3
5	21-22-45-49	4
6	1-9-12-15-20-37-55-85	8
7	5-7-23-31-40-48-62-71	8
8	64-65-72	3
9	65-69-70	3
10	10-39-41-43-53-57-84	7
11	21-22-45-49	4
12	69-70	2
13	5-8-31-48-61-62-71-81	8
14	18-29-34-77-83	5
15	36-45-75	3
16	7-31-40-48-62-71-81	7
17	14-30-42-47-51-54-57-80-84	9
18	13-65-69	3
19	64-65	2
20	4-9-14-24-30-43-47-54-57-59-72-80-84	13
21	21-22-45-75	4
22	3-46-50-63	4
23	12-20-37-64-68-85	6

## [fol. 1938] IN THE UNITED STATES DISTRICT COURT

## DEFENDANTS' EXHIBIT BW

Distribution of Franchised Chevrolet Dealers by New Passenger Car and Truck Volume Groups, 1960

## Chevrolet Los Angeles Metropolitan Area\*

Volume Groups	Number Of Dealers	Percent Of Dealers	Percent of Dealers, Cumulated
Less than 300 new cars & trucks	3	3.9%	3.9%
300 to 399 new cars & trucks	2	2.6	6.5
400 " 499 " " " "	5	6.6	13.1
500 " 749 " " " "	21	27.6	40.7
750 or more new cars & trucks	45	59.3	100.0
Total	76	100.0	—

\* As defined in Exhibit 4.2 of Stipulation of Facts Number One in *United States v. General Motors Corporation, et al.*, (Civil No. 62-1208-CC).



## [fol. 1939] IN THE UNITED STATES DISTRICT COURT

## DEFENDANTS' EXHIBIT BX

## Distribution of Franchised Chevrolet Dealers By New Passenger Car and Truck Volume Groups, 1960

## Chevrolet Los Angeles Zone

	Number of Dealers	Percent of Dealers	Percent of Dealers, Cumulated
Less than 300 new cars & trucks	42	28.8%	28.8%
300 to 399 new cars & trucks	6	4.1	32.9
400 " 499 " " " "	14	9.6	42.5
500 " 749 " " " "	28	19.2	61.7
750 or more new cars & trucks	56	38.3	100.0
Total	146	100.0	—

## [fol. 1940] IN THE UNITED STATES DISTRICT COURT

## DEFENDANTS' EXHIBIT BZ

## Distribution of 85 Franchised Chevrolet Dealers in the Chevrolet Los Angeles Metropolitan Area By Number of Other Franchised New Car Dealers Located Within a Radius of 5 miles from their Places of Business

Chevrolet Dealers in Metropolitan Los Angeles Area		New Car Dealers Within 5-mile Radius of Dealers in Col. 1			
Number	Percent of Total, Cumulated	Number	Average Number		
			Chevrolet	Other Makes	Total
8	9.4%	50 to 62	11	45	56
9	20.0	40 to 49	9	36	45
17	40.0	30 to 39	7	27	34
19	62.4	20 to 29	4	21	25
24	90.6	10 to 19	2	13	15
8	100.0	0 to 10	1	5	6

Source: Computed from basic data in Attachment J of Stipulation of Facts Number Three in U.S. v. G.M.C. et al (Civil No. 62-1208-CC).

[fol. 1941]

IN THE UNITED STATES DISTRICT COURT  
 DEFENDANTS' EXHIBIT CA

GSD 477

## NATIONAL PRICE CLASS PERFORMANCE

	Chevrolet	Ford	Plymouth	Hudson-Essex Terraplane Hudson Jet Rambler	Villlys Amer-Jeep	Stude. Rockne Champ. Comdr.	Graham	Henry J.	Allstate	Nash Lafayette Rambler	Dodge	Pontiac	Overland	Star	P. C. Market
1922	14.0	71.8	-	-	-	-	-	-	-	-	9.2	-	5.0	-	100.0
1923	16.8	67.1	-	-	-	-	-	-	-	-	6.6	-	5.1	4.4	100.0
1924	14.3	69.5	-	-	-	-	-	-	-	-	7.8	-	5.3	3.1	100.0
1925	17.1	62.6	-	-	-	-	-	-	-	-	8.4	-	-	-	100.0
1926	23.0	53.5	-	6.0	5.9	-	-	-	-	-	10.4	2.4	-	-	100.0
1927	41.9	25.4	-	10.8	4.5	-	-	-	-	-	8.0	7.4	-	-	100.0
1928	42.0	26.3	1.6	9.7	6.5	-	-	-	-	-	-	10.0	-	-	100.0
1929	29.0	48.8	3.2	7.1	6.0	-	-	-	-	-	-	5.9	-	-	100.0
1930	32.2	54.9	3.3	3.3	2.7	-	-	-	-	-	-	5.4	-	-	100.0
1931	42.8	38.8	6.9	3.1	3.0	-	-	-	-	-	-	5.1	-	-	100.0
1932	40.3	32.3	14.0	3.6	2.6	2.1	-	-	-	-	-	-	-	-	100.0
1933	43.4	28.4	22.8	2.3	1.1	1.7	.3	-	-	.7	-	-	-	-	100.0
1934	37.5	37.2	21.2	2.8	.5	-	.1	-	-	.9	-	-	-	-	100.0
1935	33.6	42.2	19.6	2.8	.5	-	.4	-	-	1.0	-	-	-	-	100.0
1936	40.5	32.6	21.7	3.4	.5	-	.3	-	-	2.5	-	-	-	-	100.0
1937	35.3	35.2	21.2	3.4	2.4	-	-	-	-	2.0	-	-	-	-	100.0
1938	39.3	30.8	24.3	2.5	1.1	2.8	-	-	-	-	-	-	-	-	100.0
1939	39.6	31.9	23.1	1.6	1.0	3.2	-	-	-	.2	-	-	-	-	100.0
1940	43.4	27.6	22.3	2.2	1.1	3.4	-	-	-	2.3	-	-	-	-	100.0
1941	41.5	28.3	21.3	2.2	1.0	-	-	-	-	5.8	-	-	-	-	100.0
1946	35.8	35.4	23.0	-	-	-	-	-	-	4.0	-	-	-	-	100.0
1947	40.7	33.9	19.9	-	1.5	-	-	-	-	3.7	-	-	-	-	100.0
1948	43.6	30.0	21.4	-	1.3	5.3	-	-	-	-	-	-	-	-	100.0
1949	40.8	31.9	20.9	-	1.1	-	-	-	-	4	-	-	-	-	100.0
1950	41.7	34.2	16.1	-	1.0	6.2	-	-	-	1.7	-	-	-	-	100.0
1951	39.5	31.9	20.1	-	1.0	3.9	-	1.9	-	2.3	-	-	-	-	100.0
1952	38.4	33.0	19.5	-	1.8	3.6	-	1.3	.1	1.2	-	-	-	-	100.0
1953	41.2	34.3	18.4	.5	1.3	2.7	-	.3	-	1.1	-	-	-	-	100.0
1954	42.7	42.1	11.5	.3	.5	1.8	-	-	-	1.3	-	-	-	-	100.0
1955	40.8	39.2	16.1	.5	.2	1.9	-	-	-	1.5	-	-	-	-	100.0
1956	44.2	38.8	13.6	.5	-	1.4	-	-	-	2.4	-	-	-	-	100.0
1957	39.6	40.7	16.2	-	-	1.1	-	-	-	6.0	-	-	-	-	100.0
1958	43.1	35.9	13.6	-	-	1.4	-	-	-	9.1	-	-	-	-	100.0
1959	37.8	39.2	10.4	-	-	3.5	-	-	-	-	-	-	-	-	Price Group Market
	Chevrolet	Ford	Plymouth	American Motors	Mercury	Buick	Oldsmobile				Dodge	Pontiac	Others		
*1960	37.9	23.4	7.3	7.0	5.1	4.4	5.9				5.9	6.6	6.5		100.0
1961	29.1	24.3	5.5	6.8	5.7	5.3	6.0				4.1	6.8	6.4		100.0

\* 1960 Revised

Dealer Organization & Analysis Dept.  
 March 7, 1962  
 K.



[fol. 1942] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT CD

December 16, 1960.

Mr. Owen Keown, President  
Owen Keown Chevrolet Company  
Lincoln & Washington Blvds.  
Venice, California

Dear Mr. Keown:

Your letter of December 6, 1960, to Mr. E. N. Cole, has been referred to me for handling. I am quoting below a reply to a letter on the same subject, received from another Chevrolet dealer in your area, made by Mr. J. M. Roche, Vice-President, General Motors Corporation, in charge of Distribution Staff:

"This will acknowledge receipt of your letter of November 28, 1960, addressed to Mr. John F. Gordon, President, General Motors Corporation, referring to the increasing number of membership discount outlets in your area of sales and service responsibility offering new General Motors cars for sale to members and their friends. As you are no doubt aware, the Car Divisions of the Corporation have received similar letters and telegrams from a number of their dealers and employes of such dealerships in different sections of the country.

"The substance of these communications, while varying in content, implies that General Motors Corporation as a manufacturer is either not aware of these practices or, that knowing about the situation refuses to recognize such practices as "unfair competition" to enfranchised dealers, as well as an unsound method for potential customers to invest in new General Motors products. Some have even suggested that General Motors condones these practices as a means of obtaining additional sales.

"All these implications are entirely unwarranted, and reflect a lack of understanding by some of the

General Motors Quality Dealer Program and the continuity of our efforts to implement the Program.

[fol. 1943] "General Motors Corporation does not and has not sold its new passengers cars and trucks for resale to any outlets other than authorized General Motors dealers. Frankly, I believe every General Motors dealer knows this, but it appears that some of their employes may not be quite as well informed.

"The reported recent expansion of the activities of so-called membership discount houses into the field of motor vehicle retail sales has been brought to our attention by members of our wholesale organizations of the Car and Truck Divisions.

"Inquiries have been made, and we are advised that these discount outlets either (1) purchase their General Motors motor vehicles from General Motors dealers for resale to members and their friends, or (2) by prearrangement with some General Motors dealers, they are in a position to make a deal with a customer for a price and then refer the customer to the General Motors dealer for delivery of the vehicle at the price established by the discount house. In the latter event, the delivering General Motors dealer reportedly pays a substantial portion of the gross profit realized on the deal to the discount establishment for division among the operator of the discount house, the operator of the automobile concession, and the automobile salesman.

"Where the motor vehicles are purchased from a General Motor dealer and resold as new-used cars, the transaction is nothing more than what has generally become to be recognized in the trade as a "bootleg" sale. On numerous occasions during the past several years, the management of General Motors Corporation has gone on record with the General Motors dealer organization expressing our deep concern with respect to this practice, which is recognized as being most detrimental to the good will which has been established over the years for, and identified with, the dealer, the manufacturer and the product.

"When a customer purchases a new-used General

Motors car from one of the so-called discount houses, he reportedly does not receive a General Motors Dealer New Car Warranty as would the original purchaser of the vehicle. Furthermore, the discount house normally provides no service facilities for the after-purchase needs of the customer. In attempting to trade upon the capital facilities of [fol. 1944] authorized dealers, the discount house seller reportedly tells the customer to take his car to any authorized General Motors dealer for his service requirements. If the purchaser is not satisfied with the service he receives from the authorized dealer, he then blames General Motors because, as an owner of a General Motors product, he expects the same high degree of service which owners of General Motors vehicles have learned to enjoy over the years from the General Motors dealer organization.

"While the management of General Motors Corporation has repeatedly pointed out the pitfalls of the "quick-profit" bootleg sale to its dealer organization, we have at the same time recognized the right of every dealer to lawfully resell his merchandise to anyone.

"On May 3, 1957, the President of General Motors Corporation sent all General Motors dealers a copy of his letter-reply to a protest against bootlegging from the Automobile Dealers Association of Indiana. The following quotation is from that letter:

'For several years it has been quite clear to those who have kept informed as to the interpretation of the antitrust laws that the Department of Justice has taken a firm position, both in statements and opinions, that any restriction upon the right of a dealer having title to motor vehicles to sell such motor vehicles to anyone, anywhere at any price, was a violation of the antitrust laws. Judicial opinions handed down over these years tended to confirm this interpretation.

'This 'right of the dealer to sell the motor vehicles to which he has title' as he pleases, is the key to these problems. It is the exercise of this right

which first moves the motor vehicles into the bootleg channel. Even if there were extenuating circumstances which motivated the movement of cars into the bootleg channel, unquestionably there are many such sales by authorized dealers made solely for the purpose of obtaining a quick profit.'

"The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer [fol. 1945] er, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a "referral." Such arrangements, however, are far different from the casual practice in the industry whereby salesmen encourage referrals from friends and others who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the General Motors Dealer Selling Agreements.

"More importantly, arrangements of this type tend to downgrade the enfranchised dealer as a new car merchant in the eyes of the public. It is difficult to understand how any dealer who has invested thousands of dollars in capital equipment to merchandise new cars can be a party to an arrangement which permits a discount outlet to discredit his merchandising ability by offering new cars for sale at purported "savings" to the customer, and then not only assume the obligation for the sale but also share his gross profit on the transaction with the discount house.

"General Motors Corporation recognizes the problems raised by the discount house new car merchandising activities in your area. They are critical problems for the public, the franchised dealers, and the manufacturers. New car sales by these outlets do not represent one iota of additional business for the deal-



er organization or the factories. They represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers who have the service facilities and trained mechanics to insure the customer's enjoyment of his investment in a new car. Most importantly, they threaten the good will of the dealer organization, the manufacturer, and the product.

"The wholesale organization of each of our Divisions will give special attention to these problems. They propose to personally discuss this matter with each of their dealers and ask them to review their operations in the light of the critical nature of the [fol. 1946] problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their General Motors Dealer Selling Agreement.

"Let me assure you that we will continue our efforts to protect the good will of our products by every available legal means.

"I would appreciate your reviewing this letter with your salesmen, so that they will more fully understand the position of General Motors with respect to the matters outlined herein. If any of your salesmen have written or wired us on this matter, this would serve as a means of acknowledging their letters."

I assure you that Chevrolet is in complete accord with the Corporation's position on this subject and our Regional and Zone Management have been directed to discuss the subject accordingly with all Chevrolet dealers concerned.

Your letter expressing your viewpoints and concern was sincerely appreciated.

Very truly yours, K. E. Staley, General Sales Manager.

KES:gp

bcc: Mr. R. M. Cash—Pacific Coast Region, Mr. R. M. O'Connor—Los Angeles Zone, Mr. E. N. Cole.



[fol. 1946a] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN  
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Honorable CHARLES H. CARR, Judge Presiding

No. 62-1208-CC Civil

UNITED STATES OF AMERICA, Plaintiff,

v.

GENERAL MOTORS CORPORATION, et al., Defendants.

**Reporter's Transcript of Proceedings—August 24, 1964**

[fol. 1946b] LOS ANGELES, CALIFORNIA, MONDAY,

August 24, 1964, 2:00 P.M.

. . . . .

OPINION

The Court: I have made some notes, gentlemen, that I will refer to and give you my decision orally, more or less thinking it out as I go—spelling it out—giving you a general idea of the bases for my decision.

I have not had an opportunity or the time to try to write a decision by reason of a crowded calendar. So this, I suppose, might be considered a memorandum opinion, or a memorandum decision. And I doubt if it will ever be published, because I will not send it in for publication myself. But it will be in the record anyway. [fol. 1946c] I want to first say that as to both sides, all counsel, the preparation and presentation of this case has been excellent. And as you all know, somebody has to lose. And now I shall tell you who does.

The Government by this suit seeks to have the court decree that the defendants have engaged in a combination and conspiracy in unreasonable restraint of trade in violation of Section 1 of the Sherman Act. It then seeks to enjoin each of the defendants from carrying on the

alleged combination and conspiracy and, in particular, it requests that General Motors be perpetually enjoined from imposing or attempting to impose any limitation or restriction upon any General Motors' dealers in dealing with discount houses.

It is also sought to enjoin General Motors from inducing, persuading or attempting to persuade any General Motors dealer to refrain from dealing with discount houses. The prayer of the complaint further seeks to enjoin General Motors from controlling or attempting to control prices at which any dealer may sell automobiles and from attempting to exercise any restraint on the resale of automobiles by any dealer.

General Motors selects and contracts with various parties to carry on dealerships for Chevrolet automobiles. These contracts provide among other things for the [fol. 1946d] non-exclusive privilege of selling Chevrolet automobiles, parts and accessories; and, although a dealer is assigned to a particular area, he may sell Chevrolet automobiles anywhere he finds a customer.

The contract provides that the selling agreement is a personal service contract and that the dealer shall actively, aggressively, and honestly promote the sale of Chevrolet automobiles, parts, and accessories; also that he shall conduct his business in a manner which will preserve the good will of Chevrolet.

It is further provided that the dealer "shall establish a place of business at a location mutually satisfactory to the dealer and General Motors and shall not establish a branch sales office without prior written approval of Chevrolet." The dealer is also required to maintain an approved business location not only for sales but for service operations and "parts and accessories sales."

As early as 1960 complaints were beginning to reach General Motors to the effect that discount houses were selling Chevrolet automobiles in the Los Angeles metropolitan area, the area involved in this suit. Letters and some telegrams were received from dealers and their salesmen complaining of referral sales by discount houses.

General Motors became seriously concerned with the [fol. 1946e] matter of referral sales by discount houses in the latter part of 1960 and began to take steps looking

toward the termination of the referral sales by discount houses.

Losor, a trade association whose membership consisted of Chevrolet dealers, about June 28, 1960, took notice of the discount house situation and began efforts to induce General Motors to take some action respecting the matter.

At a later time, about December 15, 1960, there was a meeting of the three dealer Associations, namely: Losor, Dealers' Service, Inc., and Foothill Dealers Association, which were all comprised of Chevrolet dealers in the metropolitan area. All of these organizations were interested in persuading General Motors to bring about a termination of referral sales by discount houses.

In the meantime and prior to the meeting of the three Associations, General Motors had undertaken through its representatives to advise the various Chevrolet dealers that it considered the discount referral transactions to be contrary to the Dealer Selling Agreements.

When the dealers were contacted and the matter discussed they indicated that they would discontinue the use of the discount houses for referral sales. In several instances where purchases of Chevrolet cars had been made by representatives of one of the dealer Associations the [fol. 1946f] dealer refunded the purchase price and took back the Chevrolet automobile. The dealer organizations insist that their representatives made these purchases for the purpose of convincing General Motors that referral sales were being made by discount houses. The dealer Associations supplied the representatives of General Motors with the name of the dealer and the record of the sale which had been made.

The Government contends that because the dealer Associations endeavored to persuade General Motors that the discount house referral sales were detrimental to the dealers and General Motors undertook to terminate the referral sales by the discount houses there came into existence a combination and conspiracy in restraint of trade. The Government contends that the activities amounted to a boycott and that, being a boycott, it is per se a violation.

The contention appears to rest upon the premise that the effort to eliminate referral sales by discount houses was, in fact, directed at price control. In some instances

some of the complaining salesmen, and in one or two instances a dealer, complained in telegrams and letters regarding the "cut-rate" or "discount price" at the discount houses. The evidence in the record, however, does not indicate that General Motors at any time was concerned regarding the price at which Chevrolet automobiles [fol. 1946g] were sold since any dealer could sell at any price he desired and at any place.

It is the position of General Motors that its dealer contracts prohibit the establishment of an additional dealership or branch, and that to permit the establishment of such would be extremely detrimental not only to their method of distribution through dealerships but that their entire program of distribution would be completely destroyed.

In this it is contended that an important part of the system encompasses the product loyalty of the dealership, the facilities for parts and services, the capacity to comply with warranties and many other services that are afforded by Chevrolet dealerships but are not available at discount houses. It is also important to note that discount houses sell more than one make of automobile and necessarily are interested in the sale rather than promoting one particular make.

The Government appeared to concede during the trial, although apparently now contending otherwise, that General Motors by reason of its contractual rights could have prevented the activity of the discount houses in the beginning but that, having endeavored to induce the Chevrolet dealers to take action, a combination and conspiracy involved by reason of the at least tacit agreement of the Chevrolet dealers to refrain from doing business with [fol. 1946h] discount houses.

General Motors, on the other hand, contends that it has the legal right to require a dealer to operate from his established dealership and not to use discount houses; that General Motors in endeavoring to persuade dealers to comply with this contract was acting unilaterally and without any agreement or understanding with the dealers; and that merely because General Motors and the dealer Associations may have had the same objective in mind

it does not follow that a combination and conspiracy came into being.

To hold that parallel action or the same objective pursued by different parties necessarily establishes a combination and conspiracy, would preclude many ordinary business activities. Here it must be assumed that General Motors distributor contracts are legal and in and of themselves in no way in violation of the Sherman Act.

As heretofore pointed out, the Chevrolet dealers are free to sell at any price, to anyone, at any time. They are, however, required to maintain an established place of business which meets certain requirements of the dealership contract. Chevrolet dealers are required to make periodic reports to General Motors and to carry on business in accordance with established standards which are applicable to Chevrolet dealers generally.

[fol. 1946i] Maintenance of sales facilities, service facilities, inventory of parts, and many other matters directly affecting the distribution of Chevrolet automobiles are prescribed by the dealership contract. It is contended that the dealership relationship with customers is one of the important phases of the system and that without it the business of General Motors would suffer materially.

In this connection it is pointed out that where a referral sale is made through a discount house, although the warranty provisions relating to the car require any dealer to provide service pursuant to those warranties, the dealers generally would show little or no interest in satisfying the warranty conditions.

It is emphasized that the location of dealers is of great importance since persons requiring service usually desire to go to a dealership as near as possible to their home or business and if the dealers were not strategically located the purchasing public would be greatly inconvenienced in obtaining service at Chevrolet dealers as well as genuine Chevrolet parts.

The evidence indicates that General Motors relies heavily upon the information received from its dealers in scheduling production programs. The information received from its dealers helps make it possible to plan its production which is done far in advance of the release [fol. 1946j] of the new models each year.

From the facts of this case, it appears that General Motors is seeking to enforce a contractual obligation with its Chevrolet franchise dealers. While those agreements make many requirements of the dealers they do not limit competition among the dealers. All dealers are free to sell at any price, even at a loss, if they desire, and they may compete with other dealers in that dealer's area.

The evidence clearly discloses that Chevrolet dealers are in vigorous competition with each other in discounting the prices in the sale of Chevrolets. To insist that a manufacturer and distributor of automobiles is not permitted to select and set up standards for the operation of his dealers upon the theory that it was an unreasonable restraint of competition would result not only in the destruction of the competition which benefits the public but would probably eliminate the distributor system entirely.

Without such a system it would no doubt be impossible for a large manufacturer to plan its program for new cars each year which entails preparation and planning far beyond the concept of a person not familiar with the business.

[fol. 1946k] If *Chicago Board of Trade v. United States*, 246 US 231 means what it says, the test enunciated therein certainly applies in this case. Considering all of the factors encompassed in the relationship between General Motors and its franchise dealers and the public, it must be concluded that the dealer contracts promote rather than suppress competition, and benefit the purchasing public.

It is difficult to conclude that the exclusion of discount houses, which supply no facilities for repairs or the supply of genuine Chevrolet parts, or who fulfill warranty obligations or who do anything, in fact, except offer for sale a Chevrolet automobile—or a competing automobile if the customer indicates a preference—would constitute an unreasonable restraint of competition violative of the Sherman Act.

There is not too much conflict in the evidence respecting the alleged conspiracy. As heretofore noted, certain Chevrolet dealers and, in particular, Losor, began to call upon General Motors to bring about an end to the dis-



count house operation. Thereafter General Motors took more serious note of the situation and considered what could be done.

Finally General Motors took action and made it known through its representatives to Chevrolet dealers that the use of discount houses was, in its opinion, a [fol. 1946l] violation of the Chevrolet franchise contracts. It was not until December 15, 1960, that the three Chevrolet organizations, Losor, D.S.I. and Foothill, began to meet together for the purpose of encouraging General Motors to bring about a cessation of the discount house situation. After General Motors had made known its position, the Chevrolet dealers continued to make purchases from discount houses through shoppers and bring those transactions to the attention of officials of General Motors. When this was done the dealer would usually refund the money and take back the car which had been sold.

It is undoubtedly true that to some extent the general objective of General Motors and its dealers coincided, but General Motors was interested in maintaining and continuing its distributor system through franchised dealers and in the main the dealers were interested in preventing the referral sales of Chevrolets by discount houses, particularly since they were required to carry out all of the contract obligations to the purchasers of Chevrolet automobiles, and in many instances maintain service departments at a financial loss, which was not done by the discount houses.

It may well have been that some of the individual dealers were complaining about the discount prices of the discount houses, but the evidence in the case does not [1946m] support the conclusion that General Motors was endeavoring to maintain a price structure.

[fol. 1946n] Since General Motors was legally entitled to enforce its contracts, the mere urging of some of its dealers for assistance would not seem to change an independent action by General Motors into a combination or conspiracy.

Conspiracy has become a catch-all dragnet concept which becomes more and more expansive year by year. This tendency was commenced upon in the case of



*Krulewitch v. United States*, 336 U.S. 440, and, in particular, by Mr. Justice Jackson in a concurring opinion. To hold that a conspiracy arises, where a person is urged by other persons to exercise his legal rights, and he does so, would preclude communication between business organizations. In this connection the Government relies upon *United States v. Parke-Davis & Company*, 362 U.S. 29, but that case is wholly different from the case at bar.

The mere fact that General Motors brought about a result that was desired by some of the Chevrolet dealers is not sufficient to raise an inference of conspiracy. The circumstances in this case must be viewed in an environment of practicality and when that is done it is impossible for this court to conclude that a conspiracy existed. There was no reason to conspire to do what legally could be done.

Assuming that the court is correct in holding that General Motors has the legal power to enforce its dealership [fol. 1946o] contracts and to preclude the use of discount houses by its dealers, it would be a useless act for the court to restrain General Motors or the Dealer Associations from conspiring, if there were in fact a conspiracy, when the court is actually deciding that General Motors has a legal right to do what it did and that the Dealer Associations had a right to urge General Motors to do what it did. A court of equity does not do a useless act.

The court concludes that the Government has failed to produce proof to establish the allegations of its complaint and for the relief prayed for in its prayer. Judgment will be entered accordingly for the defendants.

Counsel for the defendants are directed to prepare proposed findings of fact and conclusions of law and decree pursuant to Local Rule 7.

In that connection I suggest, gentlemen, that you combine the findings into one, not two separate findings.

And I think that I might just comment and say that I have been over the findings of both the Government and the defendant dealer organizations and the defendant General Motors. And I think that on the whole that there should not be too great a difficulty—but I have no objec-

tion to including, Mr. Mitchell, all of the findings that you have, at least what might say the historical preliminary based on the facts leading up to the ultimate [fols. 1946p-1946q] findings of fact that I think from what I have read you could call the gist of my decisions. And I am convinced that you will have no trouble. But they should be reformed and put together and combined.

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[fol. 1947] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN  
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil No. 62-1208-CC

UNITED STATES OF AMERICA, Plaintiff,

VS.

GENERAL MOTORS CORPORATION; LOSOR CHEVROLET DEALERS  
ASSOCIATION; DEALERS' SERVICE, INC.; AND FOOTHILL  
CHEVROLET DEALERS ASSOCIATION, Defendants.

FINDINGS OF FACT AND CONCLUSIONS OF LAW—  
September 14, 1964

[fol. 1948] This cause came on regularly for trial on June 16, 1964, before the Honorable Charles H. Carr, Judge of the above entitled Court. Plaintiff was represented by Maxwell M. Blecher of San Francisco and Robert C. Weinbaum of Washington, D. C. Defendant General Motors Corporation was represented by O'Melveny & Myers, Homer I. Mitchell, Henry C. Thurmann and Donald M. Wessling of Los Angeles; Lawler, Felix & Hall, Marcus Mattson, J. Phillip Nevins and John M. Maller of Los Angeles; and Aloysius F. Power, Robert A. Nitschke and Nicholas J. Rosiello of Detroit, Michigan. Defendants Losor Chevrolet Dealers Association; Dealers' Service, Inc.; and Foothill Chevrolet Dealers Association were represented by Hansen & Dolle and Victor R. Hansen of Los Angeles and Glenn S. Roberts of Los Angeles. Evidence, both oral and documentary, was received by the Court and the case was argued and submitted for decision.

Now, Therefore, the Court, being fully advised in the premises, hereby makes the following Findings of Fact and Conclusions of Law:

### Findings of Fact

1. Stipulations of Facts Number One (Plaintiff's Exhibit 1), Number Two (GM Exhibit No. AA), and Number Three (GM Exhibit No. AZ) are limited to the period from June 1, 1960 through October 12, 1961 and all facts found herein, whether stated in the past or present tense, relate to said period unless otherwise stated.

[fol. 1949] 2. As used herein, the following terms have the meanings indicated:

(a) "Chevrolet automobiles" means all of the various series and models of new passenger cars, station wagons, and trucks sold by the Chevrolet Motor Division of General Motors Corporation under trade names including "Chevrolet," "Corvair," and "Corvette," but excluding "Chevy II" and "Chevelle."

(b) "Chevrolet dealer" means any of the persons, firms or corporations who were parties to a Dealer Selling Agreement with the Chevrolet Motor Division of General Motors Corporation.

(c) "Dealer Selling Agreement" means the written agreement (including all amendments, addenda and supplements thereto) entered into between each Chevrolet dealer and the Chevrolet Motor Division of General Motors Corporation under which such dealer purchases for resale Chevrolet automobiles and Chevrolet parts and accessories therefor from said Chevrolet Motor Division and which recites the rights, privileges, obligations and liabilities of the parties thereto in connection therewith.

(d) "Chevrolet" means the Chevrolet Motor Division of General Motors Corporation which has its principal offices in Detroit, Michigan, and which is the sole producer of Chevrolet automobiles.

(e) "Southern California area" means the Counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura, San Diego, Imperial, San Luis [fol. 1950] Obispo and Santa Barbara, State of California.

(f) "Los Angeles Metropolitan Area" means the following described area in the State of California:

In Los Angeles, San Bernardino and Orange Counties, that area bounded by the western and northern city limits of Los Angeles from the Pacific Ocean north and east to the northern city limits of Glendale and the Angeles National Forest Boundary. Continuing east along the Angeles and San Bernardino National Forest Boundaries including the northern city limits of Pasadena, Monrovia, Bradbury, Duarte and Azusa to the Cucamonga Creek; thence south along the Cucamonga Creek to 19th Street at the city limits of Upland, East on 19th Street to Haven Avenue; south on Haven Avenue to the Southern Pacific Railroad tracks, thence west on the railroad tracks to Archibald Avenue, south on Archibald Avenue including the city limits of Ontario to the San Bernardino County line. Thence southwest on the San Bernardino County line to the Orange County line and then southeast on the Orange County line to Santa Ana Canyon Road (Riverside Freeway); southwest on Santa Ana Canyon Road to the city limits of Anaheim. Around the city limits of [fol. 1951] Anaheim and the city limits of Orange to Santiago Blvd. Thence south and east on Santiago Blvd. to Chapman Ave., east on Chapman Ave. to Newport Ave., south on Newport Ave. to Newport Blvd. Continued southwest on Newport Blvd. including the city limits of Tustin to MacArthur Blvd., south on MacArthur Blvd. to the city limits of Newport Beach; thence southeast along the city limits of Newport Beach to the Pacific Ocean; including non-post office areas located within or without the area described above served by post office stations located within the area described above.

In addition, the following communities in Los Angeles County: Agoura, Mt. Wilson, Calabasas, Olive View, Malibu.

Including non-post offices areas served by post office stations located in the above named communities

In San Bernardino County, the community of

Mt. Baldy; including non-post office areas served by post office stations located in the community of Mt. Baldy.

In addition, the following communities in Orange County: El Toro, Silverado, Irvine, Trabuco Canyon.

Including non-post office areas served by post office stations located in the above named communities.

[fol. 1952] 3. General Motors Corporation (hereinafter "General Motors") is a corporation organized and existing under the laws of the State of Delaware with principal offices both in New York, New York, and Detroit, Michigan.

4. Losor Chevrolet Dealers Association (hereinafter "Losor") is a non-profit corporation, organized and existing under and by virtue of the laws of the State of California. Membership in Losor consisted of Chevrolet dealers in Orange County or Los Angeles County, State of California.

5. Dealers' Service, Inc. (hereinafter "DSI") is a non-profit corporation, organized and existing under and by virtue of the laws of the State of California. Membership in DSI consisted of Chevrolet dealers in the County of Los Angeles, State of California.

6. Foothill Chevrolet Dealers Association (hereinafter "Foothill") is a non-profit corporation, organized and existing under and by virtue of the laws of the State of California. Membership in Foothill consisted of Chevrolet dealers in the Counties of Los Angeles, Riverside, or San Bernardino, State of California.

7. Losor, DSI and Foothill are independent of General Motors and are not operated, directed, controlled or guided by General Motors. Each was formed many years ago by franchised Chevrolet dealers without any solicitation or encouragement by General Motors. [fol. 1953] None of these associations engages in the sale of automobiles. Each provides services for its dealer members among which are the maintaining of an information bureau to assist dealers in making exchanges with other dealers to obtain particular Chevrolet cars of the models,

colors and equipment required to fill orders from particular customers; the providing of advertising campaigns and sales promotion activities; and the engaging in advocating the passage of legislation pertaining to motor vehicles.

8. Component parts of Chevrolet automobiles are produced by or for Chevrolet in plants located in various states of the United States, including California. These parts are shipped to various assembly plants operated at various locations in the United States, including Van Nuys and Oakland, California. While most of the Chevrolet automobiles shipped to Chevrolet dealers in the Southern California area are assembled at said Van Nuys and Oakland, California, assembly plants, some Chevrolet automobiles are shipped to such dealers from assembly plants located outside of California. Substantially all shipments of Chevrolet automobiles are made pursuant to orders placed by such dealers (a) after they have received and accepted orders from consumers or (b) in anticipation of orders to be received and sales to be made.

9. Chevrolet relies on Chevrolet dealers to provide the retail selling organization for Chevrolet automobiles. They are independent merchants who buy Chevrolet automobiles [fol. 1954] from Chevrolet for resale. These dealers are franchised to operate according to and as a part of a system for merchandising Chevrolet automobiles developed over a period of 40 years by General Motors. This franchise system is embodied in written Dealer Selling Agreements. General Motors enters into a separate agreement with each Chevrolet dealer. All of the approximately 15,000 General Motors dealers for all makes of General Motors automobiles operate under substantially identical franchise systems and enter into substantially identical Dealer Selling Agreements.

10. Under the Chevrolet Dealer Selling Agreements, a dealer may sell Chevrolets at any price and to any person anywhere he finds a customer; there is no restraint on the retail prices at which the dealer may sell or the customers to whom he may sell. Although the dealer must operate out of a place of business at a location mutually satisfactory to him and to Chevrolet, he has neither territorial exclusivity nor territorial security.



Under the Chevrolet franchise system, Chevrolet dealers are expected to compete with each other as well as with dealers in all rival makes of cars as to price and as to all other factors which may influence the public in choosing what make or model of car, where and from whom to buy. The Chevrolet Dealer Selling Agreements do not limit competition among Chevrolet dealers or between Chevrolet dealers and dealers in rival makes of automobiles.

11. The Dealer Selling Agreements restrict the Chevrolet dealer from transferring his sales obligations to others and from establishing branch sales offices at locations other than his place of business approved by Chevrolet. [fol. 1955] These restrictions do not preclude the Chevrolet dealer from soliciting customers anywhere but they do preclude such dealer from using unapproved business locations out of which to solicit the sale of Chevrolet automobiles. These restrictions were included by Chevrolet in its franchise system in response to requirements arising out of the nature and needs of the product and of the retail market and are basic to the Chevrolet franchise system.

12. The major product and market requirements which led Chevrolet to develop and adopt its franchised dealer system are as follows:

(a) The automobile is a complex, mobile product in daily family use. It cannot satisfy its owners unless adequate service and parts facilities are conveniently available. Chevrolet therefore needs to assure itself that competent service and a supply of parts are conveniently available to consumers. Satisfied customers are both the source of favorable word-of-mouth advertising and are repeat customers. The average person purchases a new car every three and one-half years and seventy per cent of Chevrolet's business comes from repeat customers.

(b) As the manufacturer of a product, Chevrolet has obligations to consumers which usually must be met in the field. Latent defects may occasionally show up in certain models only after a number of units have been sold. The owners of these models

must be traced and found and their cars repaired [fol. 1956] with dispatch. Also, mass produced cars may need minor work when they reach the dealers or their customers. Chevrolet needs dealers upon whom it can rely and who will have an incentive to find and remedy these minor defects which can be so annoying to the new car owner. Moreover, Chevrolet issues a written warranty on each new automobile. This warranty is an effective competitive sales tool only if its obligations are promptly and properly discharged at the consumer level. For each of these, Chevrolet needs a retail organization with conveniently located and competently equipped and staffed facilities which will be on the job year in and year out and whose loyalty to and interest in the continuing good will and success of Chevrolet provide an incentive to meet these obligations to the satisfaction of consumers.

(c) The nature of the automobile market is such that the volume of sales will tend to be high at some times in the year and low at others. Thus, annual model changes produce peaks and valleys. So also does severe winter weather in much of the country. An aggressive retail selling organization willing and able to create demand during the slack seasons is needed to help iron out these fluctuations.

(d) Chevrolet may face lean years by reason of business cycles in the national economy or by reason of a miscalculation in size, styling [fol. 1957] or mechanical design in annual model changes or by reason of other adverse circumstances. Chevrolet needs a retail organization which will survive such lean years so that service and parts will continue to be provided to the owners of previous as well as current models and so that there will be a retail organization in being for a comeback.

(e) The logistics for the manufacture of an automobile are complicated. They involve committing for numerous, expensive and bulky supplies, machinery and equipment long before the start of production. They require constant forward planning under varying lead times for all steps beginning from the

time a car is designed years before the start of production; continuing through all the numerous and complicated intermediate steps; and including the actual production of the finished automobile on the final assembly line. Frequent periodic readings of the nationwide market detailing current and expected sales performance are essential in matching production schedules to consumer demand. An experienced nationwide network of retail dealers who are in close contact with consumers, whose salesmen have prospect files and customer lists, and who are capable of obtaining and reporting the necessary data is essential to rational production scheduling at the factory.

[fol. 1958] 13. Chevrolet has designed its franchise system to cope with these requirements of the product and the market in order to meet the competition of its rival manufacturers and to obtain for Chevrolet continuing consumer satisfaction and thereby success in the market place. By its franchise system, Chevrolet endeavors to establish a retail organization composed of dealers who can continue to maintain an aggressive sales effort in good times and in slack times, can promote the good will of Chevrolet owners by convenient, adequate and courteous service and can perform essential functions in production scheduling.

14. The Chevrolet Dealer Selling Agreements which embody Chevrolet's franchise system grant to the dealer the non-exclusive privilege of selling new Chevrolet automobiles, parts and accessories sold to the dealer by the Chevrolet Motor Division and, in connection therewith, of displaying the various Chevrolet trademarks. In return for this privilege, the dealer agrees, among other things:

(a) That the Dealer Selling Agreement is a personal service contract entered into by Chevrolet with the dealer in reliance upon and in consideration of the personal qualifications of the dealer and the persons named as those who will actively participate in the ownership or operation of the dealership.

(b) That the dealer shall actively, aggressively and

honestly promote the sale of Chevrolet automobiles, parts and accessories.

(c) That the dealer shall conduct his business in a [fol. 1959] manner which will preserve the good will of Chevrolet.

(d) That the dealer shall not transfer his sales obligation to others without the written consent of Chevrolet.

(e) That the dealer shall establish a place of business at a location mutually satisfactory to the dealer and Chevrolet and shall not establish a branch sales office without prior written approval of Chevrolet.

(f) That the dealer shall maintain at his approved business location facilities adequate in size and layout for sales and service operations and for parts and accessories sales.

(g) That to enable Chevrolet to establish production schedules and to place orders with its suppliers on the basis of the lead time normally required in the automobile mass production industry, the dealer shall furnish Chevrolet ten-day sales and inventory reports and each month shall furnish an estimate of his requirements of new Chevrolets for each of the three succeeding months.

(h) A Metropolitan Area Addendum is made a part of the Dealer Selling Agreement of each dealer located in a metropolitan area of over 50,000 population in which two or more Chevrolet dealers have common sales and service responsibilities. It recites that Chevrolet has determined the maximum number and geographical locations of dealer points to be located in the area. Chevrolet agrees that if dealer points are to be increased in number or [fol. 1960] changed in location, it will give each dealer in the metropolitan area sixty days' written notice and an opportunity to be heard.

15. In administering its franchise system, Chevrolet is confronted with the following problems peculiar to competition in the automobile industry:

(a) To compete successfully over the long term, Chevrolet dealers' sales, service and parts facilities

must be located conveniently to consumers. The location of dealers is of great importance since persons requiring service usually desire to go to a dealership as near as possible to their home or business and if dealers are not strategically located, the purchasing public will be greatly inconvenienced in obtaining service at Chevrolet dealers as well as genuine Chevrolet parts.

(b) The performance of the obligations imposed by a Chevrolet Dealer Selling Agreement requires a substantial capital investment. In the Los Angeles Metropolitan Area the capital investment in Chevrolet dealerships ranges from a minimum of approximately \$70,000 to a maximum of approximately \$1,500,000.

(c) The proper performance of the service and parts obligations imposed by the Chevrolet Dealer Selling Agreement contributes importantly to customer good will and the overall profitability of a dealership. However, analyzed on a departmental basis and allocating to the service and parts departments their share of the dealership administrative expenses, those departments of the Los Angeles Metropolitan Area dealers generally operated at a loss. As shown by an independent study made on this basis by Price Waterhouse & Co., the typical Chevrolet dealership in the Los Angeles Metropolitan Area incurred an annual loss in the 1960 operation of its service and parts departments of approximately \$14,000.

(d) Reasonably prudent businessmen will not undertake such required capital investment nor will they undertake the performance of the service and parts functions unless the overall operation of the dealership affords a reasonable profit opportunity.

(e) The existence of such a reasonable profit opportunity depends upon the availability to each dealership of a sales potential which, if achieved, would be sufficient (i) to enable the dealer to perform his service and parts obligations; (ii) allow him to meet the overhead expense of his entire operation; (iii) provide him with a fair compensation for his services

rendered; and (iv) provide him with a reasonable return on his total investment in the dealership.

16. Chevrolet endeavors to appoint the right number of dealers located in the right places to satisfy the requirements of the product and the market described in Paragraph 12 of these Findings of Fact and to deal with the problems described in Paragraph 15 of these Findings of Fact. This is done on the basis of comprehensive studies which General Motors has developed over a period of 40 years and in which, briefly stated, Chevrolet does the following:

(a) Detailed field surveys are made of the area by trained survey teams which use extensive population, geographic and market research data as [fol. 1962] well as detailed analyses of motor vehicle registration data for the area to determine the number and locations of dealers which will provide convenience of sales, service and parts facilities to the public.

(b) The motor vehicle registration data for a representative period of years furnishes a basis for predicting the sales and service potential of each community and neighborhood in the area based on a count of sales made in those years of Chevrolets and competitive makes of automobiles and on a census of the Chevrolet automobile population in the area.

(c) Based on information and experience previously gained in the area over a representative period of years and on a detailed study of the facilities and investments required to satisfy the sales and service needs of the area, Chevrolet then appoints what its studies indicate will be the right number of dealers at the right locations to provide aggressive and competitive sales effort; to provide each dealer a fair profit opportunity; and to provide consumers with convenient sales, service and parts facilities.

17. The location restriction of the Dealer Selling Agreements prevents dealers from nullifying Chevrolet's



planned location of the right number of dealers in the right places. This restriction provides for each dealer an advantage of location convenience in his neighborhood and thereby gives him a "head start" in a market of sufficient sales potential to provide him a fair profit opportunity. [fol. 1963] A Chevrolet dealer's location advantage does not protect him from the competition of other Chevrolet dealers who may sell at any price, to anyone, anywhere. As demonstrated by General Motors' experience over the last 30 years, if there were no location restriction and if other dealers were free to establish sales outlets in the neighborhood of an established dealer, the sales potential of an area adequate only for one outlet (as indicated by General Motors' market surveys) would be divided among several outlets and even though the one dealer were fully competitive as to sales, service, parts and price, it would no longer be profitable for him to remain in business. Under these circumstances, it would be difficult to persuade another dealer-investor to replace him. Thus Chevrolet would lose the competitive advantage of having a sales, service and parts facility in a neighborhood where one was needed to satisfy the product and market requirements described above in Paragraph 12.

18. In the early summer of 1960, some Chevrolet dealers in the Southern California area were selling new Chevrolets pursuant to agreements or understandings with some discount houses and referral services. Pursuant to these agreements or understandings, the discount houses and referral services performed many of the merchandising functions normally performed by Chevrolet dealers. These functions included one or more of the following: Providing an established business location which served as a point of contact with potential Chevrolet customers; referring potential customers to dealers who had agreed in advance to quote such customers prices based on specified mark-ups over the dealers' invoice [fol. 1964] costs; taking orders for new Chevrolets; negotiating with potential customers on the prices, terms and conditions of sale for new Chevrolet automobiles; negotiating price allowances for trade-ins; and delivering new Chevrolet automobiles to purchasers. In every case, the sale of the new Chevrolet automobile to the customer was



made by the Chevrolet dealer through the discount house or referral service with title passing directly from the dealer to the customer. In no case did the dealer sell to the discount house or referral service and in no case did the discount house or referral service make a resale.

19. Each such discount house or referral service operated from a business location removed from the authorized location of the Chevrolet dealer in the sale of whose cars the discount house or referral service performed merchandising functions. Most were actually merchandising locations for wares of many sorts and advertised themselves as outlets or locations where people could go to buy Chevrolets. Such stores, or their concessionaires, operated new car sales departments which distributed Chevrolet promotional literature to prospective customers in the same manner as Chevrolet dealers. Some used Chevrolet's trademarked insignia. Some displayed new automobiles, including Chevrolets. These stores in fact were outlets or locations for the merchandising of new Chevrolets in addition to the outlets whose number and location had been determined by Chevrolet as necessary for the proper operation of its franchise system.

[fol. 1965] 20. The practice of selling Chevrolet automobiles through discount house or referral service outlets engaged in by some Chevrolet dealers has the same effect as the direct establishment by these dealers of branch sales offices without the approval of Chevrolet. Another outlet in the same area is another point of contact with local customers that would attract and be able to sell a certain per cent of the potential customers in the area even though the existing outlets in the area were fully competitive as to prices. As the number of outlets in an area increases, the opportunity to obtain the area's business decreases for each of the outlets operating in the area.

21. Seventy per cent of all the Chevrolet dealers in the Los Angeles Metropolitan Area had from one to five discount house or referral service outlets located within five miles of their dealerships performing merchandising functions for Chevrolet dealers who in most instances were located far away from such outlets.

22. As shown by an independent study made by Price

Waterhouse & Co., a small reduction in the volume of new car sales will result in a disproportionately large reduction in overall operating profit because a substantial proportion of the total expense of a Chevrolet dealership is relatively fixed. For example, an approximate reduction of 12% in new passenger car sales volume would result in the elimination of all operating profits for the typical Los Angeles Metropolitan Area Chevrolet dealerships having an annual sales volume of 250 to 350 new vehicles. Furthermore, an approximate reduction of 33% in new car sales volume would have the same or worse [fol. 1966] results for all of the typical classes of Los Angeles Metropolitan Area Chevrolet dealerships having an annual sales volume of less than 750 new vehicles. Approximately 40% of the Chevrolet dealerships in the Los Angeles Metropolitan Area had an annual sales volume of less than 750 new vehicles. In the Los Angeles Zone, 61% of the Chevrolet dealers had an annual sales volume of less than 750 new vehicles.

23. Prudent dealers failing to make a fair profit would cease doing business long before their operating profits were eliminated. The failure to restrict the use of discount houses or referral services as outlets for new Chevrolet cars would, in time, cause the withdrawal from business of a substantial number of Chevrolet dealers. This would result in the haphazard location of the remaining dealerships, would leave large and important market areas in which Chevrolet's only representation would be by discount houses or referral services and competition would be impaired.

24. The discount houses and referral services do not provide Chevrolet with the kind of retail selling organization needed to cope with the requirements of the product and market described in Paragraph 12 of these Findings of Fact.

(a) They have no service or parts facilities and therefore cannot provide convenient service to Chevrolet owners residing or traveling in their area. Neither can dealers using discount houses or referral services as sales outlets provide convenient service because they are usually located at a distance from

such outlets. The discount houses or referral services [fol. 1967] and the distant selling dealers who use these outlets in fact relied on the existence of convenient service facilities provided by nearby Chevrolet dealers. Their own ability to sell Chevrolets by this means in these areas would be seriously curtailed by the disappearance of the convenient facilities of these dealers because the resulting gaps in service facilities inevitably would injure customer good will toward Chevrolet.

(b) Discount houses and referral services do not promote Chevrolet sales, but instead take orders for any make of cars. They do not promote sales of Chevrolet automobiles during slack periods of the year or during lean years. Chevrolet therefore cannot depend upon discount houses or referral services to provide the active and aggressive sales effort needed year in and year out.

(c) Having no legal relationship with Chevrolet, discount houses or referral services cannot be relied upon to provide the factory with the accurate and first-hand market information needed for orderly production scheduling. Dealers using discount houses or referral services as sales outlets would not be close enough to the market to provide the needed information.

(d) Having no particular stake in Chevrolet's continuing good will or the facilities or personnel to perform the services necessary to preserve that good will, discount houses or referral services cannot be relied upon to perform the tasks required in correcting latent defects, remedying minor mechanical problems and carrying out warranty obligations. The [fol. 1968] dealer using the discount houses or referral services as sales outlets is too far removed from the customer to perform or be sufficiently concerned about the proper performance of these important tasks.

Competition with other makes of cars would thereby be impaired.

25. The use by Chevrolet dealers of discount houses or referral services as sales outlets for new Chevrolets defeats an important objective of the Chevrolet franchise system and is in derogation of the system. Such arrangements have a greater inimical effect on such system than the establishment of dealer-controlled branch sales offices. They can be established and quickly multiplied with no investment in facilities and with no overhead burden. The quality of their personnel is accidental. They are a way of accomplishing that which is directly prohibited by Paragraph 6 of the Dealer Selling Agreement. Said Paragraph 6 reads, in part, as follows:

"... Once Dealer is established in facilities and at a location mutually satisfactory to Dealer and Chevrolet, Dealer will not move to or establish a new or different location, branch sales office, branch service station, or place of business, including any used car and/or truck lot or location without the prior written approval of Chevrolet."

The purpose of Paragraph 6 is to prevent dealers from impairing the location advantage of each dealership point upon which maintenance of the system is based by restricting Chevrolet dealers from selling new Chevrolet cars [fol. 1969] from merchandising locations other than those established in accordance with the Chevrolet franchise system.

26. The use by Chevrolet dealers of these outlets also defeats the purpose of the provisions of the Dealer Selling Agreement which prohibit each dealer from transferring or assigning to third parties his sales and service obligations and which provide that the Dealer Selling Agreement is a personal service contract entered into by Chevrolet in reliance upon the personal qualifications of the dealer. The purpose of these provisions is to prevent Chevrolet's good will from falling into the hands of persons unqualified to carry out the requirements of the franchise system and having no incentive to represent Chevrolet aggressively and loyally.

27. The practice by a Chevrolet dealer of using discount houses or referral services as sales outlets for his

sales of Chevrolet automobiles is in derogation of the purposes of the Chevrolet franchise system and violates the Chevrolet Dealer Selling Agreement.

28. There was an average of five other Chevrolet dealers located within five miles of each of the 85 Chevrolet dealer locations in the Los Angeles Metropolitan Area. There is intense intrabrand competition among Chevrolet dealerships. This competition takes various forms, including advertising, sales technique, service performance and selling price. Different dealers emphasize different forms of such overall competition.

[fol. 1970] 29. All Chevrolet dealers in the Los Angeles Metropolitan Area engage in intense competition with dealers in other makes of cars in the Chevrolet price class. There was an average of 22 dealers selling competing makes of new cars (exclusive of competing General Motors makes) who were located within five miles of each of the 85 Chevrolet dealers in the Los Angeles Metropolitan Area. There is intense interbrand competition among all dealerships for all makes of automobiles in the Chevrolet price class.

30. Restricting dealers from selling through discount houses or referral services does not limit price competition. All dealers are free to sell at any price to any customer anywhere and the number and location of Chevrolet dealers in the Los Angeles Metropolitan Area offer convenient opportunity and adequate choice to potential customers for Chevrolet automobiles to shop the dealers in the area for the most competitive deal. The number and proximity to each Chevrolet dealer of other Chevrolet dealers as well as dealers in rival makes gives the price-conscious purchaser the freedom and ability to pit the price of one dealer against the prices of the others and to give his patronage to the dealer who offers him the best price.

31. Chevrolet dealers were in vigorous competition with each other in discounting prices in the sale of Chevrolets. As shown by an independent study made by Price Waterhouse & Co. there was no appreciable difference between [fol. 1971] the prices paid by customers who purchased Chevrolet passenger cars from a dealer through a discount house or referral service and the prices paid by ordinary retail customers who purchased directly from that dealer.

The evidence in this case does not support the conclusion that General Motors was endeavoring to maintain a price structure in the sale of Chevrolet automobiles.

32. On the other hand, some of the arrangements whereby new cars were sold through discount houses or referral services interfered with price competition between Chevrolet dealers who were parties to such arrangements and between Chevrolet dealers and those dealers in competing makes who were parties to such arrangements. Several referral services which had such arrangements with several Chevrolet dealers as well as with dealers in other makes of cars made it a practice to emphasize that new cars were available at their locations on a non-negotiable, one-price basis. One of the referral services advertised that it had "controlled prices" at which customers could purchase new Chevrolets and other new cars. It instructed Chevrolet salesmen who handled the referred customers at the Chevrolet dealerships to refuse to negotiate on price and to quote one price on a "take it or leave it" basis. Another referral service required each dealer to sign a standard form of letter agreement under which the dealer agreed to sell his cars to referred customers at a specified price which was stated as a specified amount above the dealer's invoice cost. The price quoted in said standard form of letter agreement [fol. 1972] was signed by competing Chevrolet dealers who were using said referral service, was identical and remained fixed over the full model year. Said referral service required the dealers to furnish invoices of sales made to referred customers and regularly checked these to see that the agreed price was maintained by the dealers in respect of all customers referred by said referral service. A substantial number of the sales made by Chevrolet dealers during 1960 through discount houses and referral services were made pursuant to said non-negotiable, one-price, non-competitive arrangements with said referral houses.

33. The Chevrolet franchise system with its location restrictions and its restrictions against transferring or assigning to third parties sales and service obligations promotes rather than impairs competition in the retail sale of Chevrolet automobiles and benefits the purchasing public. It enhances Chevrolet's ability to compete with other manufacturers, promotes the competition of Chevrolet dealers



with dealers selling rival makes and promotes the competition of Chevrolet dealers with each other.

34. Beginning in the summer of 1960, defendant Losor, through some of its dealer-members complained to personnel at the Chevrolet Los Angeles Zone Office about the sale of Chevrolets by some dealers through discount houses or referral services and sought to induce General Motors [fol. 1973] to take some action respecting such selling. The Zone Office personnel at that time informed the complaining dealers and some of the dealers selling through discount houses or referral services that although said personnel considered the practice inimical to the Chevrolet franchise system, they had no authorization from their superiors in Detroit to take any action to stop such selling.

35. At a meeting of Losor on November 10, 1960, the Chevrolet dealers there present agreed to write letters or send telegrams and attempt to have their salesmen write letters or send telegrams to General Motors asking that something be done regarding the (discount house) situation. Some such letters and telegrams were sent by members of Losor and their salesmen by reason of such encouragement by Losor, and some were sent independently upon the writer's own initiative. Some members did not send any letters, and some were written by salesmen without the knowledge or consent of the dealer by whom such salesmen were employed. There was no form of letter proposed by Losor, and each member acted independently in composing and sending such letters and telegrams. In encouraging dealer-members and their salesmen to cause letters and telegrams to be sent to officials of General Motors Corporation, Losor sought to bring the facts surrounding the discount house and referral service merchandising of Chevrolet automobiles to the attention of policy-making officials of General Motors in Detroit.

[fol. 1974] 36. The problem of the use of discount houses and referral services as a regular practice by some Chevrolet dealers was first brought to the attention of the General Motors executives in Detroit charged with the responsibility of formulating distribution policy for all car divisions when, in November, 1960, said Central Office executives received a large number of letters and telegrams from dealers and salesmen in the Southern California area. After in-



investigating and reviewing developments in the use of discount house and referral service outlets throughout the United States, including obtaining a report from the Chevrolet Los Angeles Zone Office detailing the facts as then known regarding the practices in that area, the Corporation's policy concerning General Motors dealers' use of discount houses and referral services was formulated under the direction of the Vice President of General Motors in charge of distribution and approved by the President of the Corporation on or before December 14, 1960. Thereafter, between December 15 and 30, 1960, the policy was announced in substantially identical letters written to every General Motors automobile dealer in the United States including Cadillac, Oldsmobile, Buick and Pontiac as well as Chevrolet dealers. These letters expressed General Motors' opposition to arrangements by dealers with discount houses and referral services in light of the franchise system of distribution and the provisions of the General Motors Dealer Selling Agreements. Simultaneously, General Motors personnel were instructed to meet with each General Motors dealer in the United States to review such policy letter for the purpose of attempting to induce and persuade each General Motors dealer to refrain from entering into arrangements for the sale of new General [fol. 1975] Motors cars through discount houses and referral services in violation of the Dealer Selling Agreements.

37. The sole motivation for the announced policy and for the instructions given the General Motors personnel was the preservation of the General Motors franchise system, which the Dealer Selling Agreements were designed to effectuate. The General Motors executives in Detroit regarded the arrangements made by dealers for the sale of new General Motors automobiles through discount houses and referral services as violative of their individual Dealer Selling Agreements. Said executives adopted the policy and issued the instructions to the General Motors personnel with respect to discount house and referral service arrangements on the basis of their long experience in the marketing of automobiles and their conclusion that the practice of the use by dealers of discount house or referral service outlets did not give General Motors the retail representation it

needed and would in time result in the destruction of the General Motors franchise system.

38. In some instances, some of the complaining salesmen, and in one or two instances a dealer, complained in telegrams about the "cut rate" or "discount price" offered on sales by dealers through discount houses. The evidence in the record, however, does not indicate that General Motors at any time was concerned regarding the prices at which Chevrolet automobiles were sold since any dealer could sell at any price he desired to any customer anywhere.

39. In carrying out the instructions received from the General Motors Central Office, Chevrolet personnel met [fol. 1976] with each Chevrolet dealer in the Los Angeles Metropolitan Area individually and endeavored to induce and persuade each such dealer to refrain from the practice of selling new Chevrolets through discount houses or referral services. Consistent with longstanding General Motors policy, the Chevrolet personnel were not instructed to and did not threaten the termination of any dealer's Dealer Selling Agreement, but instead attempted to persuade each dealer to conduct himself in conformance with the obligations of the Dealer Selling Agreement.

40. On December 15, 1960, General Motors had already formulated its policy concerning General Motors dealers' use of discount houses and referral services. On said date Losor, Foothill and DSI representatives met for the first time with respect to the practice by some Chevrolet dealers of selling through discount houses or referral services. At that meeting, Losor dealers advised the representatives of Foothill and DSI of said practice and a committee representing the three defendant dealer associations was appointed to investigate the matter and report back at a later meeting. At said meeting, consideration was also given to advocating legislation which would regulate selling through discount houses and referral services.

41. During the early part of 1961, the three defendant associations, without any prior knowledge or request by General Motors, authorized an investigation to be made to determine if Chevrolet dealers in the Southern California Zone were in fact complying with the provisions of their respective Dealer Selling Agreements and the announced [fol. 1977] policy of General Motors Corporation pertain-

ing to selling through discount houses and referral services. The investigation was also to be made to secure information to determine if sales made through discount houses or referral services were in compliance with the Motor Vehicle Code of the State of California in order that this information could be submitted to the California State Legislature, then in session, in support of a bill to establish an Automobile Dealers Commission to license automobile dealers and their salesmen. Such investigation was made and in the course thereof shoppers were used and certain Chevrolet automobiles were purchased from Chevrolet dealers selling through discount houses.

42. After the commencement of said investigation, the three defendant dealer associations advised the Los Angeles Chevrolet Zone Manager that they were willing to make available to him the information obtained through the shoppers and he asked that they do so, believing that the employees of some Chevrolet dealers might be selling Chevrolet automobiles through discount houses or referral services without the dealer's knowledge. With such information he intended to go back to those dealers and endeavor to persuade them to conduct themselves in conformance with their obligations under the General Motors Dealer Selling Agreements relating to the use of discount houses or referral services as sales outlets. Between late February and early May 1961, the defendant dealer associations purchased seven new Chevrolets through discount houses. The defendant dealer associations supplied the Los Angeles Chevrolet Zone Manager with the name of each selling dealer and the record of each sale and at his direction the Zone Office personnel informed each dealer who had sold one of these shopped cars that the car had been sold [fol. 1978] through a discount house or referral service and asked said dealer whether he wished to repurchase the car. This was done as an effective method of bringing to the attention of the dealer the fact that his dealership was continuing to operate in violation of the Dealer Selling Agreement. In each instance, the dealer repurchased the car.

43. In attempting to persuade General Motors to take some action to bring about the termination of the practice of some dealers of selling through discount houses or re-

ferral services and in bringing to the attention of General Motors information obtained by shoppers in 1961 that some dealers were continuing to sell through discount houses or referral services, the defendant dealer associations acted in furtherance of the interests of their dealer-members who were parties to Dealer Selling Agreements with General Motors which obligated all Chevrolet dealers to refrain from selling through discount houses or referral services. They did not act in combination, conspiracy or concert with General Motors. There was no agreement between the defendant dealer associations, or any of them, and General Motors as to what action General Motors would take or whether General Motors would take any action at all with respect to the practice by some Chevrolet dealers of selling through discount houses or referral services.

44. There was no express or implied agreement between defendant associations or between any of them and any of their dealer-members that any of said dealer-members should refrain from selling through discount houses or [fol. 1979] referral services. At no time did any of the defendant dealer associations impose any sanctions or withdraw any association privileges from any member, director or officer of said associations engaged in selling through discount houses or referral services. At all times members of said associations who engaged in selling through discount houses or referral services, received all of the benefits of association membership including use of the information bureau to assist dealers in making exchanges of cars with other dealers, without restriction or discrimination of any nature and without any coercion or sanctions directed at such members by any of said defendant associations to compel them to discontinue such selling practice. Some of the dealers supplying the greatest volume of sales through discount houses and referral services were, in fact, elected officers and directors of the defendant associations during such period of time.

45. In attempting to persuade individual Chevrolet dealers in the Los Angeles Metropolitan Area to refrain from selling new Chevrolets through discount houses or referral services, and in accepting information as to shopped cars and offering them to the dealers who sold them in order to bring to the attention of such dealers the fact

that their dealerships were continuing to operate in violation of the Dealer Selling Agreements, General Motors acted independently in furtherance of its own interests in procuring the conformance of individual Chevrolet dealers to the obligations of their Dealer Selling Agreements and thereby preserving the Chevrolet franchise system. General Motors had no agreement with its Chevrolet dealers [fol. 1980] other than the Dealer Selling Agreements and it had no agreement with any dealer association. Such action was taken independently and unilaterally by General Motors with respect to each Chevrolet dealer individually, to obtain compliance by each dealer with the obligations he had undertaken in his Dealer Selling Agreement and such action was not taken by General Motors by combination, conspiracy or concert of action with Chevrolet dealers or any of them or with defendants Losor, Foothill or DSI or any of them.

#### Conclusions of Law

1. The provisions of the Chevrolet Dealer Selling Agreements prohibiting Chevrolet dealers from transferring their sales obligations to others and from establishing a branch sales office without approval of Chevrolet were ancillary to a lawful plan adopted by Chevrolet for the competitive merchandising of Chevrolets and are reasonable. Said provisions are restrictions which promote competition between Chevrolet and its rival manufacturers, between Chevrolet dealers and dealers in rival makes of cars and between Chevrolet dealers. These provisions do not constitute an unreasonable restraint of competition, are not contracts in unreasonable restraint of trade or commerce and do not violate Section 1 of the Sherman Act.

2. In each Dealer Selling Agreement, there is an implied obligation of good faith and fair dealing and that the parties will do nothing to affect adversely the objects of the [fol. 1981] agreement. Arrangements by a Chevrolet dealer with discount houses or referral services whereby they performed merchandising functions in the sale of the dealer's Chevrolet automobiles at business locations not approved by Chevrolet defeated the requirements of his Dealer Selling Agreement that the dealer not transfer his sales obligations to others and that he not establish branch sales offices without the approval of Chevrolet.

Such conduct by a Chevrolet dealer constituted the doing of that which the dealer had agreed not to do directly and affected adversely the attainment of the objects of the Dealer Selling Agreement. Said conduct was violative of the obligations of the Chevrolet dealer under his Dealer Selling Agreement with Chevrolet. Said provisions of the Dealer Selling Agreement do not constitute an unreasonable restraint of competition, and are not contracts in unreasonable restraint of trade or commerce and do not violate Section 1 of the Sherman Act.

3. General Motors lawfully attempted to persuade and had the legal right to require Chevrolet dealers in the Southern California area to refrain from the practice of selling Chevrolets through discount houses and referral services and thus to conform to the provisions of their Dealer Selling Agreements.

4. General Motors acted solely in its own interests in including in its Dealer Selling Agreements the provisions prohibiting the transfer of the dealer's sales obligations and the establishing of unapproved branch sales offices, in requiring its dealers to agree to such provisions as a [fol. 1982] condition of their franchises, and in seeking the conformance of all General Motors dealers to the provisions of their Dealer Selling Agreements. Although the fact of the increasing use by dealers of discount houses and referral services as sales outlets for Chevrolet automobiles was called to the attention of General Motors by Chevrolet dealers in the Southern California area, General Motors did not act jointly or in combination, conspiracy or concert of action with said dealers or with Losor, DSI or Foothill or in aid of said dealers, Losor, DSI or Foothill. General Motors acted independently and unilaterally as to each dealer individually and solely in its own interests in aid of its franchise system.

5. Since General Motors was legally entitled to enforce its Dealer Selling Agreements, its independent action was not changed into a combination or conspiracy because such action was requested by some dealers or defendant dealer associations or because some dealers or defendant dealer associations brought to its attention transactions which violated those contracts. To hold that a conspiracy arises where a person is requested by other persons to exercise



his legal rights and he does so, would preclude legitimate communication between business organizations. The mere fact that General Motors brought about a result that was desired by some of the Chevrolet dealers is not sufficient to raise an inference of conspiracy.

6. Defendant General Motors, Losor, DSI and Foothill and the alleged co-conspirators did not engage in a group boycott of discount houses or referral services. The fact [fol. 1983] that General Motors and each of its Chevrolet dealers in the Southern California area had entered into a Dealer Selling Agreement by which the dealer was restricted from transferring his sales obligations to others and from establishing branch sales offices at locations other than his place of business approved by Chevrolet and that the effect of such restrictions was to prohibit the dealer from entering into arrangements for the sale of Chevrolet cars through discount houses did not constitute a group boycott of discount houses or referral services. Said restrictions in each of said agreements were lawful and the fact that there was more than one agreement and that General Motors induced and persuaded all Chevrolet dealers in the Southern California area to abide by said restrictions in their agreements and that all said dealers abided by said restrictions did not constitute a group boycott by said dealers or by General Motors and said dealers or by any of defendants.

7. General Motors did not engage in any combination or conspiracy with defendants Losor, DSI or Foothill or with any of the alleged co-conspirators whether consisting of a continuing agreement, understanding or concert of action with said defendants or with alleged co-conspirators or otherwise to suppress or eliminate competition in the sale or distribution of Chevrolets in the Southern California area in unreasonable restraint of trade or commerce in violation of Section 1 of the Sherman Act, or otherwise.

8. Defendants Losor, DSI and Foothill did not engage in any combination or conspiracy with each other or with [fol. 1984] General Motors or with any of the alleged co-conspirators whether consisting of a continuing agreement, understanding or concert of action with or among said defendants or with said alleged co-conspirators, or otherwise, to suppress or eliminate competition in the sale or



distribution of Chevrolets in the Southern California area in unreasonable restraint of trade or commerce in violation of Section 1 of the Sherman Act, or otherwise.

9. The Government's proof failed to support the allegations of its complaint.

10. Defendants are entitled to judgment that plaintiff take nothing by its action.

Dated: Sept. 14, 1964.

Charles H. Carr, Judge.

Approved as to form as provided in Rule 7(a) of the Rules of the United States District Court for the Southern District of California.

—, —, Attorney for Plaintiff.

Received copy of the within Findings of Fact and Conclusions of Law this 31st day of August, 1964.

Maxwell M. Blecher, Attorney for Plaintiff.

[fol. 1985] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN  
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil No. 62-1208-CC

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION; LOSOR CHEVROLET DEALERS  
ASSOCIATION; DEALERS' SERVICE, INC.; AND FOOTHILL  
CHEVROLET DEALERS ASSOCIATION, Defendants.

JUDGMENT—Filed September 14, 1964 and entered September 15, 1964

[fol. 1986] This cause came on regularly for trial on June 16, 1964, before the Honorable Charles H. Carr, Judge of the above-entitled Court and the issues having been duly tried and the Court having made its findings of fact and conclusions of law, Now, Therefore, in accordance with said findings of fact and conclusions of law,

It is Ordered, Adjudged and Decreed that plaintiff take nothing by this action.

Dated: Sept. 14, 1964

Charles H. Carr, Judge.

Approved as to form as provided in Rule 7(a) of the Rules of the United States District Court for the Southern District of California.

—, —, Attorney for plaintiff.

Received copy of the within Judgment this 31st day of August, 1964.

Maxwell M. Blecher, Attorney for plaintiff.

[fol. 1987] IN THE UNITED STATES DISTRICT COURT FOR THE  
SOUTHERN DISTRICT OF CALIFORNIA

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NOTICE OF ENTRY OF JUDGMENT—September 15, 1964

62-1208 CC

Re: U.S.A. vs. General Motors Corp., et al

You are hereby notified that Findings of Fact, Conclusions of Law & Judgment in each of the above-entitled cases was entered in the docket on Sept. 19, 1964.

When the time for appeal has expired (without appeal being taken), it will be appreciated if counsel will arrange for pick-up of their exhibits without further notice, pursuant to Local Court Rule 20.

I hereby certify that this notice was mailed on Sept. 15, 1964.

Clerk, U.S. District Court, By E. Guerrero, Deputy Clerk.

P.S. The court revised page 27 of the proposed findings & substituted a new page, a copy of which is inclosed; the only other change was the insertion at the end of paragraph 8 of the conclusions, a new paragraph 9 reading "The Government's proof failed to support the allegations of its complaint." The final paragraph: number was changed from "9" to "10". No change made in the form of judgment.

8/64—2,000

[fol. 1988] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN  
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil No. 62-1208-CC

UNITED STATES OF AMERICA,

v.

GENERAL MOTORS CORPORATION; LOSOR CHEVROLET DEALERS  
ASSOCIATION; DEALERS' SERVICE, INC.; AND FOOTHILL  
CHEVROLET DEALERS ASSOCIATION.

NOTICE OF APPEAL TO THE SUPREME COURT OF THE UNITED  
STATES—Filed November 12, 1964

I. Notice is hereby given that the United States of America appeals to the Supreme Court of the United States from the final judgment entered in this action on September 15, 1964.

This appeal is taken pursuant to the provisions of 15 U.S.C. 29.

II. The Clerk will please prepare a transcript of the record in this case for transmission to the Clerk of the Supreme Court of the United States and include in said transcript the entire record of the proceeding.

III. The following question is presented by this appeal:

Whether an arrangement between General Motors Corporation and all its franchised Chevrolet dealers in the Southern California area whereby the latter undertook not to sell new automobiles through discount houses or referral agencies violated Section 1 of the Sherman Act.

/s/ Lionel Kestenbaum, /s/ Robert C. Weinbaum,  
Attorneys, Department of Justice, Washington,  
D.C.

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[fol. 1989] Certificate of Service, (omitted in printing)

[fol. 1990] SUPREME COURT OF THE UNITED STATES, OCTOBER  
TERM, 1964

No. 820

UNITED STATES, Appellant,

v.

GENERAL MOTOR CORPORATION, et al.

Appeal from the United States District Court for the  
Southern District of California.

ORDER NOTING PROBABLE JURISDICTION—March 15, 1965

The statement of jurisdiction in this case having been  
submitted and considered by the Court, probable juris-  
diction is noted.